

Societatea Națională de Gaze Naturale ROMGAZ SA  
Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL

## **2024 General Manager's Performance Assessment**



## 2024 General Manager's Performance Assessment

Pursuant to Article 36(5) of Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented, the Board of Directors of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL has prepared the 2024 General Manager's Performance Assessment, based on the 2024 General Manager's Report, approved by BD Decision no. ....of.....

**Chairman of the Board of Directors**

**STĂNESCU NICOLAE BOGDAN CODRUȚ**

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**Document approved by Board of Directors Decision no. ....of .....**

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## 1. Company introduction

### Who is DEPOGAZ?

SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL (“DEPOGAZ” or the “Subsidiary”) is the main storage operator in Romania, with a share of approximately 90.54% of Romania's total active storage capacity.

By Decision of the Extraordinary General Meeting of Shareholders of SNGN Romgaz SA no. 10/19.12.2014, based on Directive 2009/73/EC of the European Parliament and of the Council of the European Union, transposed into national legislation by Law on Electricity and Natural Gas no. 123/2012, as amended and supplemented, the natural gas storage was separated from SNGN Romgaz SA and is carried out by SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL, as an independent operator, starting with April 1, 2018.

Natural gas is stored for the purpose of:

- a) ensuring the security in the supply of natural gas to end customers;
- b) harmonising seasonal, daily and hourly consumption variations with available gas sources;
- c) permanently ensuring the physical balance of the NTS;
- d) carrying out other business activities.

### DEPOGAZ VISION

The modernisation of existing natural gas storage capacities and the creation of an increased degree of safety and flexibility, including through the multi-cycle use of storage capacities, will contribute to achieving a competitive natural gas market and to the development of energy markets and the creation of regional energy security mechanisms, according to the common rules of the European Union.

### DEPOGAZ MISSION

- Increasing customer and stakeholder satisfaction;
- Ensuring the availability and timeliness of the underground natural gas storage service;
- Efficiently and promptly resolving interventions to the storage facility infrastructure without affecting the interests of customers and other stakeholders;
- Continuous development and improvement of the natural gas storage service;
- Proposing projects of national interest, as well as supporting and implementing them;
- Proposing Projects of Common Interest at the European Union level so as to contribute to the achievement of an integrated market at the regional level, as well as supporting and implementing them.

### DEPOGAZ VALUES

- ***Social responsibility and respect for the environment;***
- ***Professionalism, efficiency and performance;***
- ***Excellence*** is the target we seek and encourage in everything we do, by offering innovative problem-solving solutions that ensure remarkable results for our partners;

- **Integrity** is a mandatory requirement for all Company employees.
- We promote **transparency, honesty and fairness** both within the organisation and in our relationship with our customers and partners;
- **Promptness** defines our team which promotes at a high level the importance of a fair and transparent relationship with customers;
- **Loyalty** is the basis for cultivating a long-term relationship with our customers and partners.

### 1.1. Identification details of the company

DEPOGAZ is a public enterprise, established as a Subsidiary, with the legal status of a limited liability company, in which SNGN Romgaz SA is the Sole Shareholder. The company is established under Companies Law no. 31/1990, republished, as amended and supplemented, and carries out its activity in accordance with the Romanian legislation and the Articles of Association.

<b>Name of the Company</b>	<b>SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL</b>
<b>Registered office</b>	Str. Gh. Gr. Cantacuzino, Nr. 184, Ploiești, Prahova County, Postcode 100492
<b>Tel./Fax:</b>	0374-403800/0374-097420
<b>Email/website</b>	secretariat@depogazploiesti.ro <a href="http://www.depogazploiesti.ro">www.depogazploiesti.ro</a>
<b>VAT Reg. No.</b>	34915261
<b>Number of registration with the Trade Register Office</b>	J2015001181294
<b>Main activity</b>	NACE class 0910 - Support activities for petroleum and natural gas extraction;
<b>Secondary activities</b>	NACE class 2553 - Machining;
	NACE class 3320 - Installation of industrial machinery and equipment;
	NACE class 3524 - Storage of gas as part of network supply services;
	NACE class 4221 - Construction of utility projects for fluids;
	NACE class 4222 - Construction of utility projects for electricity and telecommunications;
	NACE class 4299 - Construction of other civil engineering projects n.e.c.;
	NACE class 4321 - Electrical installation;
	NACE class 4322 - Plumbing, heat and air-conditioning installation;
	NACE class 4323 - Installation of insulation;

	NACE class 4324 - Other construction installation;
	NACE class 4335 - Other building completion and finishing;
	NACE class 4342 - Other specialised construction activities in construction of buildings;
	NACE class 4350 - Specialised construction activities in civil engineering;
	NACE class 4391 - Packaging activities;
	NACE class 4399 - Other specialised construction activities n.e.c.;
	NACE class 5210 - Warehousing and storage;
	NACE class 5224 - Cargo handling;
	NACE class 6310 - Data processing, hosting and related activities;
	NACE class 7020 - Business and other management consultancy activities;
	NACE class 7112 - Engineering activities and related technical consultancy;
	NACE class 7120 - Technical testing and analysis;
	NACE class 7210 - Other research and experimental development on natural sciences and engineering;
	NACE class 7220 - Research and experimental development on social sciences and humanities;
	NACE class 8122 - Specialised cleaning activities;

***According to Order no. 377/2024 on the updating of the classification of economic activities in Romania - the NACE (3) Codes have been amended.***

## 1.2. Objects

DEPOGAZ, as a storage operator, is a legal entity performing storage activities, responsible for the safe operation of natural gas storage facilities.

The objects cover natural gas storage, i.e. the set of activities and operations carried out by the storage operator for or in connection with booking the storage capacities in underground storage facilities and for the injection, storage and extraction from these capacities of certain quantities of natural gas.

The natural gas storage process usually takes place in two cycles (stages): the injection cycle in the period April - October and the extraction cycle in the period November - March, and, at the request of customers or the gas transmission system operator, these cycles may be reversed alternatively.

### Injection cycle (April - October)

The gases taken over by the NTS are metered, purified and compressed (if applicable) and injected into the natural gas storage facilities operated by DEPOGAZ using injection/extraction wells.

### **Extraction cycle (November - March)**

The gas taken from the injection/extraction wells of each storage facility is directed to the conditioning (heating, rolling, trapping impurities), drying, compression (if applicable) and metering facilities and it is supplied in the NTS at the quality parameters provided by the legislation in force.

## **2. Objectives and key performance indicators**

The performance of DEPOGAZ is measured in order to assess the degree of achievement of the company's objectives, to improve activities and the use of resources in the most effective way possible to achieve the objectives agreed by the directors and the General Manager in the company's Administration Plan, which includes the administration component, the management component and the financial and non-financial key performance indicators for the calculation of the variable component of remuneration.

**The strategic objectives contained in the company's Administration Plan for the period 2023-2027 are derived from the Letter of Expectations of the Sole Shareholder SNGN ROMGAZ SA** and pursue the objectives of optimising, developing and diversifying the underground natural gas storage by reconsidering its importance, in order to ensure the security of continuity and flexibility in the natural gas supply, identifying new opportunities for growth and diversification of the Subsidiary's activity, both domestically and regionally, increasing the Subsidiary's performance, efficient management and implementing the corporate governance framework.

### **2.1. Objectives and strategic lines of action, according to the Letter of Expectations of the Sole Shareholder**

#### **Strategic lines of action, according to the Letter of Expectations of the Sole Shareholder:**

1. Operational excellence for efficiency and quality;
2. Ensuring a dedicated and qualified workforce;
3. Implementation of the corporate governance framework: public governance, internal control, risk management, audit committee, internal public audit and external audit.

#### **Global strategic objectives pursued by the Sole Shareholder for the entire activity, considering its Letter of Expectations:**

- increasing the portfolio of gas resources and reserves, by discovering new resources and by developing and improving the recovery of already discovered resources;
- consolidating the position on the markets for the provision of underground natural gas storage services;
- optimising, developing and diversifying the underground storage, by reconsidering its importance, to ensure safety, continuity and flexibility in natural gas supply;
- increasing the daily extraction capacity, through investments that reduce the dependence of the daily extraction capacity on reservoir pressure;
- exploring/identifying the possibilities of storing natural gas in salt caverns;

- identifying new opportunities for growth and diversification of the company's activity, both domestically and regionally;
- increasing the company's performance;
- completing the initiated investment projects and developing the proposed projects (increasing the daily extraction capacity of the Bilciurești Storage Facility, increasing the storage capacity of the Ghercești Storage Facility, increasing the storage capacity of the Sărmășel Storage Facility, modernising the infrastructure of the storage system of the Bălăceanca Storage Facility, new Fălticeni Storage Facility).

## 2.2. **Specific objectives for storage derived from the global objectives set forth by the Sole Shareholder**

During the mandate of the Board of Directors and the General Manager, **the main objectives** specific to storage, derived from the global objectives set forth by the Sole Shareholder, are as follows:

- optimising, developing and diversifying the underground storage, by reconsidering its importance, to ensure safety, continuity and flexibility in natural gas supply;
- increasing the daily injection/extraction capacity through investments;
- exploring/identifying natural gas storage possibilities in salt caverns;
- identifying new opportunities for growth and diversification of the company's activity, both domestically and regionally;
- increasing the company's performance.

**The strategic lines** proposed for the short, medium and long term are as follows:

1. modernisation of storage facilities,
2. increasing the storage capacity,
3. increasing the flexibility of the infrastructure,
4. increasing the degree of safety in operation of wells used for the injection/extraction of gas in/from storage facilities.

In addition to the strategic objectives/lines, the Board of Directors and the General Manager intend to effectively respond to the expectations of the Sole Shareholder and the Ministry of Energy for the next 4 years, expectations mainly aimed at, without limitation:

- *participation and development of projects, together with TSOs and other important players in the energy and financial sector, on low-carbon hydrogen/natural gas as part of the European Union Green Transition Plan and under the EU "Fit for 55" Package;*
- *participation and development of projects, together with important players from the energy and financial sectors, regarding the capture and storage of CO<sub>2</sub> as an integral part of the European Union's effort to limit greenhouse gas emissions;*
- *implementing a programme for the digital integration of all processes within DEPOGAZ, both technological processes (well, group of wells, above-ground installations, drying stations, compressor stations and metering stations), as well as financial and commercial ones, in line with the EU digital strategy and integrated into the Digital Decade of Europe. This programme will lead to:*
  - *Simplification, digitalisation and automation of processes within DEPOGAZ;*
  - *Making decisions at the right time and based on data collected in real time from the field;*
  - *Digital monitoring and supervision to increase the operational safety of equipment;*

- *Applying analysis and digital modelling procedures to storage - extraction processes.*
- *establishing a State reserve of natural gas to be available to State authorities in crisis/emergency situations, pursuant to the specific legislation on the matter;*
- *streamlining/reducing the company's expenses with electricity used for its own consumption by implementing projects to produce it from renewable sources (solar panels);*
- *in the context of climate and environmental challenges, the European Union has proposed to its Member States a new growth strategy aimed at transforming it into a fair and prosperous society, with a modern, competitive and resource-efficient economy, with zero net greenhouse gas emissions by 2050 and in which economic growth is decoupled from resource use. To this end, the members of the Board of Directors and the General Manager propose the establishment of a working group to develop a project for the DEPOGAZ Energy Strategy that will include climate and environmental objectives for the period 2024-2050.*

The strategic objectives of DEPOGAZ for the period 2023 - 2027 are formulated based on the diagnostic analysis performed and the proposed development lines, with the aim of capitalising on opportunities and consolidating existing strengths at the company level, and each objective is associated with specific actions for achievement.

### **2.3. Administration Plan**

The Administration Plan of the Board of Directors of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL reflects the vision of DEPOGAZ management with respect to managing the activities in the interest of the company and its stakeholders, in the medium and long term, based on the evolution to date of the natural gas storage, the current context and trends in the field of the relevant services at national and international level, as well as the forecasts and perspectives that can be anticipated, so as to ensure the maintenance of a modern, financially viable, economically sustainable company, an operator that offers quality services to customers and meets the expectations of stakeholders, an economic operator responsible towards society and the environment, under conditions of sustainable development.

The Administration Plan, consisting of the administration component and the management component, is drafted based on the main purpose and strategic objectives of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL, as a natural gas storage operator, in accordance with the expectations of the Sole Shareholder SNGN Romgaz SA, and in the context of the current socio-economic environment.

When developing the Administration Plan, there were taken into account the priorities and key targets of the activity of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL, as well as the risks to which DEPOGAZ is exposed.

The strategic objectives of DEPOGAZ for the period 2023 - 2027 are formulated based on the diagnostic analysis performed and the proposed development lines, with the aim of capitalising on opportunities and consolidating existing strengths at the company level, and each objective is associated with specific actions for achievement.

The strategic vision of the DEPOGAZ directors and the General Manager refers mainly to:

- operational effectiveness and stability;
- energy safety and security;
- performance optimisation;
- sustainable development of the society.

The Administration Plan approaches three main strategic lines:

1. Operational excellence for efficiency and quality,
2. Ensuring a dedicated and qualified workforce;
3. Implementation of the corporate governance framework: public governance, internal control, risk management, audit committee, internal public audit and external audit.

### **2.3.1. Administration component**

The administration component of the Administration Plan for the period 2023 - 2027 was prepared in accordance with Article 30 (1) of GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented, by the Board of Directors of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL appointed by the Sole Shareholder's Decision no. 1/19.01.2023.

The administration component of the Administration Plan was submitted for information to the Sole Shareholder on 20.02.2023.

The detailed analysis of the company by business lines led to the proposal of strategic development objectives, corroborated with the identification of performance indicators proposed during the term of office.

### **2.3.2. Management component**

The Board of Directors Decision no. 5 of 06.03.2023 approved the appointment of Mr Vasile Cârstea as General Manager of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL for a period of 4 years, starting with 06.03.2023, as per GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented, concluding a contract of mandate with him.

In 2024, the General Manager of the company had the duties provided in the Contract of mandate no. 1185/06.03.2023, in the Internal Rules of the Board of Directors and in the Articles of Association, supplemented by the applicable legal provisions.

According to the Internal Rules of the Board of Directors, the responsibilities of the General Manager include:

- a) developing the management component of the Administration Plan and submitting it to the Board for approval;
- b) meeting the company's objectives and performance criteria set out in the contract of mandate;
- c) supervising the development of the strategy, multi-year business plans and annual budget and submitting them to the Board for verification and endorsement/approval, as appropriate;
- d) coordinating the activity of executive managers;
- e) implementing the company's main activity and development lines;
- f) ensuring the implementation of efficient risk management and internal management control systems;
- g) regularly informing the Board of Directors on the operations undertaken and those intended to be undertaken, including the preparation of quarterly reports on the mandate performance;
- h) any other duty delegated by the Board.

The General Manager provides the Board of Directors, regularly and comprehensively, detailed information on all important aspects of the company's activity. Furthermore, any major event is immediately communicated to the Board of Directors. The General Manager approves the form of the materials submitted for analysis by the Board

of Directors, supporting the content of the materials, their lawfulness, necessity or, as the case may be, their opportunity, and these materials underlie the decisions adopted by the Board of Directors. Moreover, the General Manager is in charge with organising the performance and, where appropriate, the implementation of the Decisions of the Board of Directors. Thus, there were implemented the measures ordered by the Decisions made by the Board of Directors in the relevant period.

Moreover, any member of the Board of Directors may request from the General Manager information relating to the operational management of the company.

The management component of the Administration Plan for the period 2023 - 2027 was prepared in accordance with Article 36 (1) of GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented, by the General Manager of DEPOGAZ appointed by the Board of Directors Decision no. 5/06.03.2023.

The Management Component of the Administration Plan was based on the management vision of the General Manager for the strategic development of DEPOGAZ during the period 2023 - 2027, based on the evolution to date of the natural gas storage, the current context and trends in the field of the relevant services at national and international level, as well as the forecasts and perspectives that can be anticipated, so as to ensure the maintenance of a modern, financially viable, economically sustainable company, an operator that offers quality services to customers, meets the expectations of stakeholders and pays special attention to social responsibility, which aims to permanently increase the company's degree of accountability towards employees, the Sole Shareholder, partners, community and the environment.

The management component of the 2023 - 2027 Administration Plan was approved by Decision of the Board of Directors no. 6/31.03.2023.

The Management Component of the Administration Plan presents the management team's mode of action in order to achieve the objectives and performance indicators, actions aimed at designing, implementing, monitoring and assessing appropriate management processes, support actions in achieving the expected results. The strategic decisions adopted reflect the management contribution to increasing the effectiveness and efficiency of DEPOGAZ by integrating the company's activities at a higher level within the natural gas market and the national economy, based on economic criteria, through the materialisation of resources, both at the level of the economic operator and at the level of the supersystems in which it is located.

#### **a. Corporate governance**

According to the OECD (Organisation for Economic Cooperation and Development), corporate governance specifies the distribution of rights and responsibilities of different categories of persons involved in the company, such as: the board of directors, managers, shareholders and other categories, and lays down the rules and procedures for making decisions with respect to a company's activity.

GEO no. 109/2011, as amended and supplemented, defines corporate governance of public enterprises as "the set of rules, procedures and processes for the administration and management of the public enterprise, determining the manner in which the rights and obligations of the various participants are established, i.e. the governance structure of the public enterprise, as well as the board of directors and supervisory board, managers and management, shareholders and other stakeholders, who establish the structure and operation of the decision-

making system, with the aim of ensuring compliance of the strategic line of the public enterprise, as well as of its management with the standards of good corporate governance contained in the Principles of Corporate Governance of the Organisation for Economic Cooperation and Development (OECD), as well as in the OECD Guidelines on Corporate Governance of Public Enterprises”.

Corporate governance, at the DEPOGAZ level, describes all the principles underlying the administration framework through which the company is managed and controlled. Transposed into internal documents, these principles determine the efficiency and effectiveness of the control mechanisms adopted with the aim of protecting and harmonising the interests of all stakeholders - shareholders, directors, managers, leaders of the company's various organisational units, employees and organisations representing their interests, customers and business partners, central and local authorities, etc.

Corporate governance at DEPOGAZ level is organised and carried out in accordance with the Romanian legislative framework, i.e. Companies Law no. 31/1990, republished, as amended and supplemented, and Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, as amended and supplemented.

In the application of the general regulatory framework, DEPOGAZ has adopted documents through which the corporate governance is put into practice:

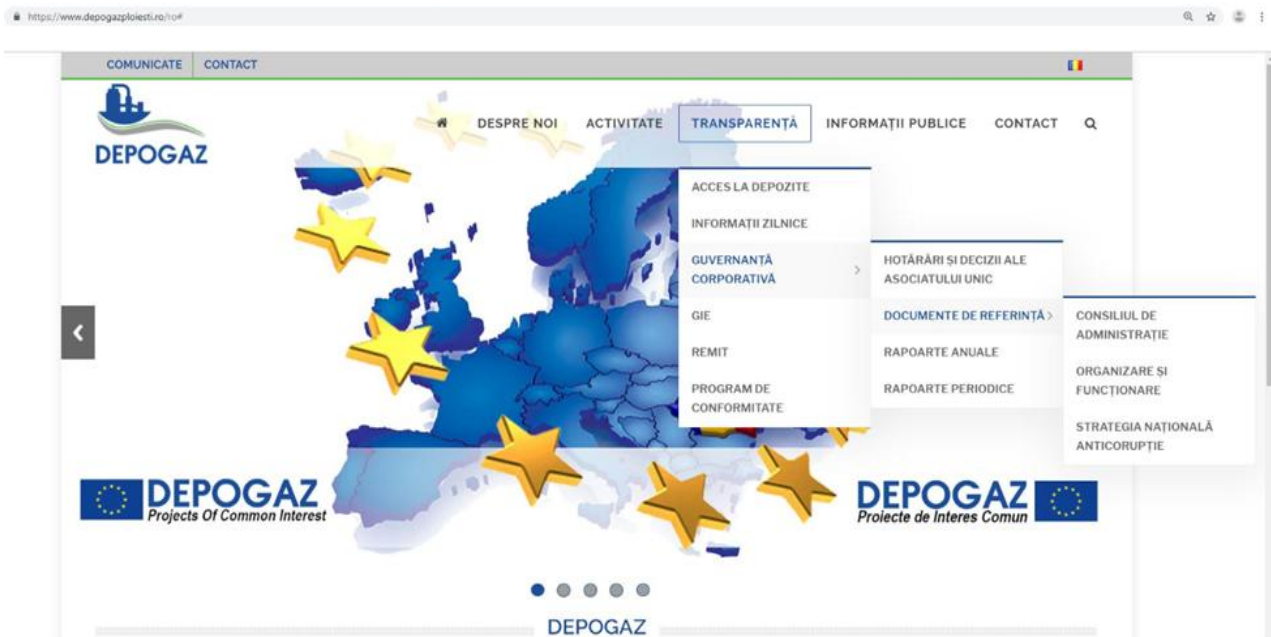
- DEPOGAZ's Articles of Association, which includes provisions relating to the management bodies (Sole Shareholder, Board of Directors, executive management), as well as their powers and functioning;
- Internal Rules of the Board of Directors, which detail and operationalise how this body convenes, analyses, debates and makes decisions, how it interacts with the executive management and other parties;
- The Internal Rules of the Nomination and Remuneration, Strategy, Audit and Risk Management Committees, which detail and operationalise how they convene, analyse, debate and make decisions, how they interact with executive management and other parties;
- DEPOGAZ's Rules for the Organisation and Operation, the Code of Ethics and Integrity, and DEPOGAZ's Internal Rules, which take over, detail and operationalise certain relevant aspects of the company's governance framework.
- Policies in place within DEPOGAZ, as per GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented:
  - ✓ Policy on the remuneration of the members of the Board of Directors of DEPOGAZ;
  - ✓ Policy on the remuneration of mandate managers of DEPOGAZ;
  - ✓ Policy on the assessment of the Board of Directors of DEPOGAZ.

### ***Transparency and reporting obligations***

In order to meet the responsibilities agreed by the members of the Board of Directors and the General Manager of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL as a public enterprise, the necessary actions are carried out at the company level to monitor the enforcement of GEO no. 109/2011, as amended and supplemented.

Thus, the Board of Directors monitors compliance with the principles of transparency, according to the provisions of the aforementioned regulatory act. To this end, the specialised organisational units within DEPOGAZ publish the

documents provided in GEO no. 109/2011 on corporate governance of public enterprises, as amended and supplemented, on the website [www.depogazploiesti.ro](http://www.depogazploiesti.ro), under the *Transparency* heading.



Accordingly, there should be noted that the information/documents provided in Article 51 of GEO no. 109/2011 on corporate governance of public enterprises, as amended and supplemented, applicable to DEPOGAZ, can be found on the Subsidiary's website.

Moreover, in order to comply with the legal requirements, there were observed the obligations of reporting to the Sole Shareholder/Public Guardian Authority and authorised institutions. With respect to reporting by filling in and submitting the S1100 form, there were observed the provisions of the MFP Order no. 1952/2018 regulating the procedure for monitoring the implementation of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, and the information was submitted within the communicated deadlines. Thus, the S1100 form, containing Annexes no. 1 and 3 for the first semester of 2024 and Annex no. 2 for 2023, was submitted on 03.07.2024 to the Ministry of Energy - General Directorate for Energy Policies and to SNGN Romgaz SA - Corporate Governance Office.

Furthermore, please note that the Order of the Minister of Finance no. 1952/2018 regulating the procedure for monitoring the implementation of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises was repealed by Order no. 4232/2024.

***Quarterly reporting to SNGN Romgaz SA on the degree of achievement of key performance indicators provided by the contracts of mandate of the non-executive directors and the General Manager of DEPOGAZ***

*The key performance indicators for the calculation of the annual variable component of the remuneration of non-executive directors and the General Manager for the period 2023 - 2027 were approved by Decision of the Sole Shareholder SNGN Romgaz SA, no. 7/12.05.2023.*

In order to comply with the legal requirements for reporting obligations, in 2024, based on the Decisions of the Board of Directors no. 2/23.01.2024, no. 6/23.04.2024, no. 12/24.07.2024 and no. 15/23.10.2024, the Board of Directors Secretariat and Corporate Governance Office sent the following documents to SNGN Romgaz SA:

- Analysis of the degree of achievement as at 31.12.2023 (preliminary data) of the performance indicators provided by the contracts of mandate of the non-executive directors and the General SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL;
- Analysis of the degree of achievement as at 31.12.2023 (final data) of the performance indicators provided by the contracts of mandate of the non-executive directors and the General SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL;
- Analysis of the degree of achievement as at 31.03.2024 of the performance indicators provided by the contracts of mandate of the non-executive directors and the General SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL;
- Analysis of the degree of achievement as at 30.06.2024 of the performance indicators provided by the contracts of mandate of the non-executive directors and the General SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL;
- Information on the degree of achievement as at 30.09.2024 of the key performance indicators provided by the contracts of mandate of the non-executive directors and the General SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL.

***Other reporting obligations as per GEO no. 109/2011, as amended and supplemented – 2024***

1. The General Manager prepared the reports for the fourth quarter of 2023 and the first, second and third quarters of 2024, as well as the report for the 2023 in which he presented information on the execution of his mandate, as well as the performance of DEPOGAZ, reports that he submitted to the Board of Directors to be approved in its meetings.
2. There was prepared the Report for 2023 on the progress of fulfilment of the DEPOGAZ objectives in terms of corporate governance and transparency, as well as the agreed financial and non-financial indicators. The document was approved by the Board of Directors and sent to SNGN Romgaz SA for information, as well as to the AMAPPE, in order to meet Article 57(2) of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented.
3. The financial statements of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL for the year ended December 31, 2023, prepared in accordance with Order of the Minister of Public Finance no. 1802/2014, as amended and supplemented, were submitted to the territorial units of the Ministry of Finance. They were approved by Decision of the Sole Shareholder SNGN ROMGAZ SA, no. 4/17.05.2024, and a copy was sent to the AMAPPE, in compliance with Article 47(2) of GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented.
4. The reports prepared during the reference period by the Board of Directors, the one prepared by the Nomination and Remuneration Committee regarding the remuneration and other benefits granted to the directors and the General Manager during the financial year 2023, as well as the 2023 General Manager's Performance Assessment, were submitted as per the Decisions of the Board of Directors to SNGN ROMGAZ SA, in compliance with the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented.

In DEPOGAZ, the corporate governance structures are as follows:

- ✚ The Sole Shareholder;
- ✚ The Board of Directors, with 4 advisory committees, namely
  - ✓ The Nomination and Remuneration Committee;
  - ✓ The Audit Committee;
  - ✓ The Strategy Committee;
  - ✓ The Risk Management Committee.
- ✚ The General Manager.

***b. General, specific objectives and lines of action for risk management and internal control***

**General objective: Increasing the company's performance**

**Specific objective:**

Strengthening the level of implementation of internal management control standards and establishing actions for the continuous development of the internal management control system, in accordance with the requirements of the Government Secretariat Order no. 600/2018 approving the entity's internal management control code, so as to provide reasonable assurance regarding its effectiveness and operation.

**Lines of action:**

***Risk management:***

- Continuous improvement of the internal management control system, through the annual update of the Internal Management Control System Development Programme. The development programme includes the Subsidiary's objectives in the field of internal management control, and, for each internal management control standard, there are established activities, responsibilities and deadlines, as well as other relevant elements for the development, maintenance and assessment of the internal management control system.
- Risk management is an essential component in decision-making and prioritising actions.
- The risk management process involves managing, through identification, analysis, assessment, treatment and monitoring, risks that may occur at the level of the Subsidiary and may affect its objectives.

Achieving coherent risk management at the Subsidiary level involves:

- o a prior analysis of all risk exposures, as the identification of risk sources is fundamental and decisive in the correct assessment of the Subsidiary's risks;
- o identifying risks that may affect the effectiveness and efficiency of activities related to the objectives, without ignoring rules and regulations; trust in financial information and management; protecting assets; preventing and detecting fraud;
- o defining the degree of tolerance/accepted level of risk exposure;
- o assessing the likelihood of the risk materialising, determining its impact and exposure;
- o establishing the strategy (control measures) for dealing with and monitoring risks;
- o developing reporting, control and risk management capabilities.

Thus, the main risks to which the company is exposed are as follows:

- a) Operational risk is closely linked to: the failure to meet the contractual obligations concluded between DEPOGAZ and third parties; the reduction below the normal limit of the quantities of natural gas stored to

maintain the entire range of wells in the storage facilities and their related installations in optimal operating condition; the failure by the holders of supply licences to comply with the minimum stock obligation provided by the ANRE orders;

- b) Risk related to the economic environment - it requires special attention in identifying and implementing modernisation, retrofitting, or development investments, in observing contracts with customers, flexibility and adaptation to customer needs; failure to meet the indicators provided in the income and expenses budget;
- c) Credit risk - DEPOGAZ policies require that sales be made to customers with low credit risk.
- d) Environmental risk - the emergence of new regulations that involve the revision of environmental agreements; the issuance of environmental permits and water management permits with delay for all locations where the gas injection - extraction work is carried out;
- e) The administrative risk is closely related to the expertise of the personnel, the capacity to carry out the activities that contribute to the achievement of the objects; delays in preparing the documentation for obtaining the authorisations and licences necessary for carrying out the underground natural gas storage.

Internal audit is a functionally independent and objective assurance and advisory work designed to add value and improve the company's activities. Internal audit helps the company to improve its objectives, through a systematic and methodical approach, assesses and improves the efficiency and effectiveness of risk management, control and governance processes. A constant concern of the company's management is ensuring the independence of the internal audit work, by directly subordinating the audit structure to the highest hierarchical levels, and, at the same time, implementing an internal audit strategy based on risk analysis at the DEPOGAZ level, as per Law no. 672/2002 on public internal audit.

## **2024 achievements**

### ***Internal management control, objective management, risk management***

The internal management control system developed and implemented within DEPOGAZ, as part of the management process, targets all activities of organisational units, at all management levels, and aims to achieve the proposed objectives while identifying and managing the risks associated with them.

Internal control is a process carried out by personnel at all levels, i.e. the Board of Directors, top management, executive management, and the entire personnel. Each member of the entity is responsible for its own internal control.

The internal control must be perceived as part of management functions and the managers and each individual employee must ensure the operation of the internal management control system, so as to comply with the general framework laid down by legal provisions.

The internal management control at DEPOGAZ level has the role of ensuring compliance with the legislation in force, the implementation of the decisions made, the proper operation of the Subsidiary's internal activity, the effectiveness of operations, the efficient use of resources, the management of objectives, as well as the risk management.

The DEPOGAZ internal management control system is developed, maintained and assessed in compliance with the requirements of Government Secretariat Order no. 600/2018 on the approval of the Code of Internal management Control of Public Entities.

The internal management control system at the Subsidiary level includes self-control mechanisms, and the application of measures to increase its effectiveness is based on risk assessment.

In order to strengthen the internal management control system, at DEPOGAZ level, the Internal Management Control System Development Programme (IMCSDP) is developed, analysed and approved by the Monitoring Committee, a programme approved by the General Manager - President of the Monitoring Committee and updated annually.

In order to achieve the objectives contained in the IMCSDP at the Subsidiary level through the actions taken, in 2024, the following were carried out:

- The General Manager - President of the Monitoring Committee approved the documented procedures and instructions developed/revised at the Subsidiary level, analysed and approved by the committee members during the meetings of the Committee for monitoring and coordinating the implementation and development of the internal management control system within SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL.
- By the Decision of the General Manager, the list of the persons responsible for determining and managing risks at the level of each organisational unit of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL was modified.
- According to the provisions of the specific system procedures in force, each organisational unit presented the progress of fulfilment of the objectives identified for 2023, as well as the Report on the implementation of the risk management process for the objectives for the same year.
- The monitoring committee analysed the documents on the progress of fulfilment of the objectives and the reports on the implementation of the risk management process at the facilities. The General Manager approved the Centralising Document with the progress of fulfilment of the objectives for 2023 at the DEPOGAZ level. The analysis carried out showed that the risks to the objectives identified by the organisational units within the Subsidiary are closely related to the activities within the general and specific objectives whose achievement could be affected by the materialisation of the risks.
- By the Decision of the General Manager, the Integrity Plan adopted at the level of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL was approved as part of the application of the 2021 - 2025 National Anti-Corruption Strategy.
- Declarations of assets and interests were submitted by 17.06.2024 by all employees who have this obligation, with the support of the person in charge from the Human Resources, Payroll Service.
- The "List of documented procedures and instructions developed and approved correlated with the inventory of procedural activities, as well as new activities identified to be processed in 2024 in SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL" was developed and approved, according to the Order of the Government Secretariat no. 600 of 20.04.2018 approving the Code of Internal Management Control of Public Entities - Standard 9 - Procedures.
- Considering the organisational changes that occurred at the level of the Subsidiary (Organisational Structure of Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL, approved by BD Decision no. 8/30.05.2024, valid as of 01.06.2024), at the end of June 2024, the Monitoring Committee analysed and approved the following documents:
  - Objectives document (centralised) for 2024 updated/filled in;
  - Subsidiary risk register for 2024 updated/filled in;

- Plan for the implementation of control/prevention measures in the case of risks posed to the objectives for 2024 updated/filled in, and these were submitted for approval to the General Manager - President of the Monitoring Committee.
- The General Manager approves the (centralised) Objectives document at the DEPOGAZ level, updated annually and whenever necessary.
- The General Manager approves the Subsidiary Risk Register updated annually and whenever necessary.
- In July 2024, there was analysed the degree of achievement of the general and specific objectives at the end of the first semester of 2024, as well as the emergence of new risks posed to the objectives identified by the heads of organisational units within DEPOGAZ.
- The General Manager - President of the Monitoring Committee approved the Objectives periodic reporting document (centralised) - first semester 2024, after it was analysed and endorsed by the members of the Monitoring Committee.
- Moreover, according to the PS-07 system procedure: Risk Management, the Internal Control Office centralised the Reports on the process of managing the risks posed to objectives for the first semester of 2024, prepared by each head of organisational unit according to the Subsidiary's organisational chart.
- The monitoring committee analysed the Reports on the implementation of the process of managing the risks posed to objectives identified in the Risk Register at the level of each organisational unit within SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL (for the period January - June 2024). The analysis carried out revealed that the risks to the objectives identified by the organisational units within the Subsidiary are closely related to the activities within the specific objectives whose achievement could be affected by the materialisation of the risks.
- Observing the provisions of the operational procedure 01PO-04: The Professional Performance Management System, at DEPOGAZ level, the interim/annual employee assessment process for 2024 was carried out.
- In September 2024, the General Manager decided to carry out the inventory, centralisation and management of sensitive functions at the Subsidiary level, according to the PS-16 system procedure: Inventory of sensitive functions.
- According to the PS-16 system procedure: Inventory of sensitive functions - the action of inventorying, centralising and managing sensitive functions, by Decision of the General Manager, was carried out within 45 organisational units, which took into account the functional duties of the personnel, which usually involve one or more risk factors. As a result of the action, the following documents were developed and approved:
  - List of sensitive functions at the DEPOGAZ level, code form: 00F-23-Act 0;
  - "Information on the inventory of functions which are sensitive and/or particularly exposed to corruption and the risks associated with them at the level of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL for the year 2025".
- The significant activities carried out within the Subsidiary and proposed to be processed in 2024 were described in 100% documented procedures/instructions.
- The Rules for the Organisation and Operation of Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL were approved in the meeting of the Board of Directors of DEPOGAZ by Decision no. 5 of 12.06.2018 and amended by Decision no. 16/27.11.2024, no. of registration 16535/25.11.2024.
- The Internal Rules of DEPOGAZ were revised, a document approved by the General Manager, no. of registration 14273/15.10.2024.

- In compliance with the PS-08 system procedure: Management of objectives, issue 3, rev. 0/28.10.2024 and PS-07: Management of risks, issue 3, rev. 0/28.10.2024, there were identified, at the Subsidiary level, general and specific objectives, as well as the risks related to the objectives identified for 2025.
- The Monitoring Committee analysed and approved the Document (Centraliser) with the proposed objectives and the Register of risks posed to objectives for 2025 at the Subsidiary level, which were submitted for approval to the General Manager - President of the Monitoring Committee.
- The Monitoring Committee analysed and approved the Plan for the implementation of control/prevention measures in the case of risks posed to objectives for 2025 at the DEPOGAZ level, which was submitted for approval to the General Manager - President of the Monitoring Committee.
- The performance monitoring system is established and assessed for the objectives and activities of the Subsidiary, through performance indicators.
- The risk management process is organised and monitored.
- Risk management is an essential component in decision-making and prioritising actions.
- The risk management process leads to the improvement of the DEPOGAZ performance by identifying, analysing, assessing and managing the risks that may arise at its level in order to minimize their consequences.
- Considering the obligation to report to SNGN Romgaz SA Mediaș on the progress of implementation and development of the internal management control system at the DEPOGAZ level for 2024, the members of the Monitoring Committee established the carrying out of the self-assessment action of the internal management control system at the level of each organisational unit within the Subsidiary during the period 13 - 15.01.2025.
- With respect to the methodological guidance action regarding the implementation of the internal management control system and the filling in of the self-assessment questionnaire on the progress of implementation of the internal management control standards/2024, as well as to consolidate the level of knowledge of the regulations in the field of the internal management control system, the Internal Control Office has developed and distributed a Guidance note.
- The documents underlying the reporting on progress of implementation of internal management control standards according to OSG no. 600/2018 of 31.12.2024 are the following:
  - Self-assessment questionnaire on the progress of implementation of the management internal control standards/2024 – Annex 4.1 SG Order 600/2018 agreed by each organisational unit manager according to the Subsidiary's organisational chart in force, regarding the reality of the data, information and findings recorded therein based on the principle of management responsibility;
  - Centralised overview of the progress of implementation and development of the internal management control system as at December 31, 2024 - Annex 3 SG Order no. 600/2018, prepared by the Technical Secretariat of the Monitoring Committee and approved by the President of the Monitoring Committee;
  - Summary of the self-assessment results (Annex 4.2 - SG Order no. 600/2018), prepared by the Technical Secretariat of the Monitoring Committee and approved by the President of the Monitoring Committee.

Based on the above-mentioned documents, at DEPOGAZ level, the Report on the internal management control system as at December 31, 2024 – Annex 4.3 – Order SG 600/2018 was prepared and approved by the General Manager.

The report provides a clear picture of the progress of implementation and development of the Subsidiary's internal control system. Based on the results of the self-assessment as at December 31, 2024, DEPOGAZ's internal management control system complies with the standards contained in the Internal Management Control Code.

- The reporting on the progress of the implementation and development of the Subsidiary's internal control system was made to SNGN ROMGAZ SA Mediaș - Internal Management Control Office, in compliance with the deadline established by it, in accordance with the deadline imposed by the legislation in force.

The internal management control at the Subsidiary's level has the role of ensuring compliance with the legislation in force, the implementation of the decisions made, the proper operation of the Subsidiary's internal activity, the effectiveness of operations, the efficient use of resources, the management of objectives, as well as the risk management.

### ***Financial controlling***

The financial controlling work within DEPOGAZ is carried out by the personnel of the Financial Controlling Office, an organisational unit functionally and administratively reporting to the General Manager.

The financial controlling work in 2024 was carried out based on the Financial controlling programme no. 641/10.01.2024, approved by the General Manager of DEPOGAZ.

The basic components of the system for reporting the results of the control work are represented by the control protocols, endorsed by the control team on the one hand and by the controlled organisational unit on the other hand, and the notes on findings, which are drawn up at the end of each control action and approved by the General Manager. They contain the findings, conclusions, measures and recommendations formulated by the control team in order to improve the activity of the controlled unit, as well as the regulatory acts and internal rules from which the formulated deviations were found. In 2024, there were carried out 8 (eight) control missions in the areas corresponding to the legislative framework applicable to financial controlling (budgetary area, financial accounting area, sectoral procurement area specific to the company), following which 12 implementation measures and recommendations were formulated.

The recommendations/measures formulated by the members of the Financial Controlling Office, which were ordered through the notes on findings approved by the General Manager, are the tools for improving the financial - accounting work, in order to increase its performance in relation to external control entities (Court of Auditors, ANAF).

The objectives and associated risks, established and assumed by the Financial Controlling Office, for 2024, were defined in close correlation with the general objectives of DEPOGAZ, and some of them are as follows: implementation of the measures and recommendations set out in the notes on findings; increasing efficiency in carrying out specific control actions; more efficient management of material and financial resources; implementation of the Annual Control Plan;

All actions in the Financial controlling programme for 2024 were carried out within the deadlines established by the programme and observing the specific theme of the work. The checks carried out took into account the control criteria established based on the regulatory acts applicable to the controlled field.

The report on the Financial controlling work as of 31.12.2024 was prepared in January 2025 and approved by the General Manager, and it was registered under no. 918/17.01.2024. The progress of achievement and implementation of the measures ordered by the control documents is permanently monitored by the specialised organisational unit, in order to implement them on time and within the framework of the applicable legislation.

The measures and recommendations formulated by the control team within the missions carried out aim to eliminate malfunctions and prevent the materialisation of risks identified within the financial - accounting work, public procurement, budget, in order to achieve the company's objectives, defined by the 2023 - 2027 Administration Plan. The measures and recommendations were accepted by the company's management and disseminated to the controlled entity for implementation.

In 2024, no additional controls based on notifications were initiated or ordered.

### ***Internal public audit***

The internal audit work is carried out in accordance with Law no. 672/2002 on internal public audit, republished, as amended and supplemented (Law 672/2002) and Government Decision no. 1086/2013 approving the general rules for the exercise of internal public audit.

Within DEPOGAZ, the Internal Public Audit Office reports functionally to the Board of Directors and administratively to the General Manager, in accordance with applicable legislation, as reflected in the company's organisational chart approved by Decision of the Board of Directors no. 2/23.01.2024.

The audit missions were carried out based on the Annual Audit Plan 2024 registered under no. 16543/14.12.2023. The DEPOGAZ management adopted all the recommendations and there were no situations that required conciliation from the audited structures.

The following audit missions were carried out:

- "Budget justification and implementation" - the audit report related to the mission was endorsed by the Board of Directors in the meeting of July 24, 2024, according to the BD Decision no. 12/2024. The mission made 3 recommendations, two of which were implemented on time, and one recommendation is currently being implemented within the established deadline.
- "Management of employment relationships within DEPOGAZ" - the audit report related to the mission was endorsed by the Board of Directors in the meeting of October 2, 2024, according to the BD Decision no. 14/2024. The mission made 7 recommendations, 3 of which were implemented on time, and the others are currently being implemented within the established deadlines.
- "Providing the materials and spare parts necessary for storage" - the audit report related to the mission was endorsed by the Board of Directors in the meeting of December 19, 2024, according to BD Decision no. 17/2024. The mission made 3 recommendations to be implemented in 2025;
- "Management of telephone services within DEPOGAZ" - the audit report related to the mission was endorsed by the Board of Directors in the meeting of January 17, 2025, according to the BD Decision no. 1/2025. The mission made 5 recommendations to be implemented in 2025.

At the end of 2024, there are no recommendations made prior to 2024 and not implemented.

The audit strategy for the period 2025 - 2027 and the annual planning for 2025 were approved by the Board of Directors at the meeting of December 19, 2024, according to the BD Decision no. 17/2024.

The obligations regarding the annual reporting on the internal public audit work for 2023 were fulfilled on time.

At the company level, PAIC 2025 – Action Plan for Ensuring and Improving the Quality of Internal Public Audit Work was developed and endorsed. The document regulates the framework for ensuring the resources necessary for continuous vocational training in correlation with the competencies of each auditor.

### ***c. General, specific objectives and lines of action for ethics and integrity***

#### **General objective: Increasing the company's performance**

#### **Specific objectives and lines of action:**

In order to promote integrity, there will be continued the monitoring of risks and vulnerabilities to corruption, the measures taken to avoid situations of conflict of interest and incompatibilities, the unrestricted access to information of public interest, as well as the protection of whistleblowers.

The essential concerns for achieving the objectives in this area, ensuring institutional transparency and open governance, are focused on three major lines: (1) prevention, (2) education, (3) combating, as follows:

- (1) - Increasing the efficiency of preventive measures, both by continuing to adapt Internal Rules to the legislative provisions on integrity and anti-corruption, and by increasing their consistency and adaptation,
  - Ensuring the lawfulness and effective management of vulnerabilities and corruption risks;
- (2) - Strengthening integrity, reducing vulnerabilities and corruption risks by increasing the level of education and awareness of the company's personnel.
- (3) - Optimising control mechanisms by adopting appropriate control actions focused on areas exposed to corruption.
  - The degree of tolerance accepted by society for corruption is 0.

#### **2024 achievements**

The purpose of the 2021 - 2025 National Anti-Corruption Strategy is to promote integrity, based on strengthening the assessment of risks and vulnerabilities to corruption, correlating and streamlining prevention, education and combating mechanisms, through the rigorous enforcement of the regulatory and institutional framework.

The vision of this strategy is to strengthen the national system for preventing and combating corruption by strengthening the mechanisms for identifying and managing risks, threats and vulnerabilities surrounding this phenomenon, in order to guarantee professionalism and efficiency in the public sector, the safety of citizens and to support a developed social and economic environment.

The mission of the strategy is to put into practice the vision with respect to the integrity and the transparency of the decision-making process.

The objectives of the strategy include increasing the level of implementation of integrity measures, strengthening the assessment of risks and vulnerabilities to corruption, correlating and streamlining mechanisms for prevention, education and combating them.

Having regard to the Decision no. 1269/2021 approving the 2021 - 2025 National Anti-Corruption Strategy (NACS) and its related documents, in 2024, the Committee for the 2021 - 2025 NACS carried out the following at the DEPOGAZ level:

- The following documents were prepared, analysed, endorsed and approved:
  - Report for 2023 on the "Integrity Plan of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL 2022 - 2025, Annex to the Decision of the General Manager no. 162/14.06.2022";
  - Annex no. 3 – GD no. 1269/2021 - Inventory of preventive measures, as well as assessment indicators/2023;
  - Annex no. 5 - Government Decision no. 1269/2021 – Standard for disclosing information of public interest regarding public enterprises/2023;
  - Annex no. 6 - Government Decision no. 599/2018 - Annual report on the assessment of integrity incidents/2023;
  - Register of goods received free of charge on the occasion of entertainment events in the exercise of the mandate or function in 2023;
  - The 2023 narrative report regarding the progress of the implementation of the measures provided both in the NACS and the Integrity Plan approved by Decision of the General Manager no. 162/14.06.2022.
- Considering the obligation to report on the progress of the NACS implementation to the Ministry of Energy - the Anti-Fraud, Integrity and Inspection Directorate and to SNGN ROMGAZ SA - the Internal Management Control Office, at the DEPOGAZ level, documents related to 2021 - 2025 NACS for the year 2023 were developed, approved and sent by email.
- The necessary measures have been taken to update the DEPOGAZ website regarding the documents that have to be published according to Annex no. 4/HG no. 1269/2021 - "General standard for disclosing information of public interest" - section D. Institutional integrity.
- In March, the Financial Auditor, Ernst & Young Assurance Services SRL, requested documents regarding the degree of achievement of performance indicators - the 2023 Report on the "Integrity Plan". These documents were sent by email as requested by the auditor.
- The Corruption Risk Register at DEPOGAZ level was developed, endorsed and approved, form code: 00R-015-Act. 2, as a result of the identification and description of risks and vulnerabilities to corruption by organisational units.
- The Secretary of the Committee informed the employees of the approval and posting on the InfoWEB Portal of the Corruption Risk Register at the DEPOGAZ level.
- Considering the requests of the Agency for Monitoring and Assessing the Performance of Public Enterprises (AMAPPE) regarding DEPOGAZ's obligations in the field of ethics and integrity, the information requested on the implementation of legal provisions and corresponding obligations related to the field of integrity was transmitted specifically and timely.
- For compliance with Law no. 187/2023 amending and supplementing Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises Article 58<sup>1</sup>.- (1) Public enterprises appoint a compliance officer to implement integrity plans as management tools for promoting organisational integrity within the public enterprise, the compliance officer at SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL level was appointed by Decision of the General Manager. The compliance officer is the point of contact for AMAPPE with the public enterprise, and there was analysed the opportunity of appointing a compliance officer at DEPOGAZ level.

- The Integrity Plan was updated in June 2024, and the Decision of the General Manager regarding the Integrity Plan adopted at the level of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL was issued for the application of the 2021 - 2025 National Anti-Corruption Strategy.  
The decision appointed the Integrity Plan Implementation Coordinator, at the management level, as well as the contact persons, at the operational level.  
The Secretary of the Committee for the implementation of the 2021 - 2025 NACS informed DEPOGAZ personnel about the development, approval and posting of the Integrity Plan, which can also be viewed on the DEPOGAZ website.
- An letter of information was sent to the Ministry of Energy - the Anti-Fraud, Integrity and Inspection Directorate, as well as to SNGN Romgaz SA Mediaș - Internal Management Control Office relating to the update of the Integrity Plan adopted at the level of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL for the application of the 2021 - 2025 National Anti-Corruption Strategy.
- The Report for the first semester of 2024 on the "Integrity Plan of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL 2022 - 2025, annex to Decision no. 162/14.06.2022", submitted by letter to the Economic Director, was analysed, endorsed and approved.
- There were trained 17 employees who attended the "Ethics and Organisational Integrity" training course. The purpose of the course, delivered by an external lecturer, was to develop skills and provide information and knowledge regarding ethics and institutional integrity, the implementation of measures from the National Anti-Corruption Strategy, the Integrity Plan and the Inventory of Institutional Transparency Measures, etc. at the DEPOGAZ level.
- The Committee took note of the Decision of the General Manager no. 164/01.10.2024 for the review of the documentation of the Integrated Management System of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL, submitted by the Integrated Management Office.
- There was analysed the PS-17 system procedure: Methodology for identifying risks and vulnerabilities to corruption, issue 2, rev. 2/26.04.2024 and there were made the amendments/supplements deemed necessary for its revision, and it was submitted for approval to the RSMI. Afterwards, the system procedure was analysed, endorsed and approved by the Monitoring Committee, and it was posted by the Integrated Management Office on the InfoWEB Portal. The Secretary of the Committee for the Implementation of the 2021 - 2025 NACS trained the persons holding management/coordination positions within DEPOGAZ, according to the organisational chart, with the provisions of the PS-17 system procedure: Methodology for identifying risks and vulnerabilities to corruption, issue 3, rev. 0/28.10.2024.
- There was analysed the PS-18 system procedure: Whistleblowing, issue 2, rev. 2/26.04.2024 and there were made the amendments/supplements deemed necessary for its revision, and it was submitted for approval to the RSMI. Afterwards, the system procedure was analysed, endorsed and approved by the Monitoring Committee, and it was posted by the Integrated Management Office on the InfoWEB Portal.
- Considering the approval in the Monitoring Committee of the revision of the PS-18 system procedure: Public interest whistleblowing, issue 3, rev. 0/28.10.2024 and taking into account the Integrity Plan adopted at DEPOGAZ level - general objective 2. Reducing the impact of corruption on employees, measure 2.1 Increasing the degree of anti-corruption education, knowledge and understanding of integrity standards by employees, the NACS Committee decided to train a number of employees, which mandatorily included the heads of organisational units, according to the organisational chart, as well as persons holding operating positions.

The assessment questionnaire included questions regarding the provisions of the PS-18 system procedure: Public interest whistleblowing, issue 3, rev. 0, as well as questions regarding the knowledge of the ethics and integrity rules promoted within DEPOGAZ.

- Taking into account the risks and vulnerabilities present in the activity of DEPOGAZ personnel that could lead to a violation of the principles and standards of conduct, there was decided the endorsement of the Draft List of Sensitive Positions at DEPOGAZ level in the form received from the Technical Secretariat of the Monitoring Committee.
- There were trained 12 employees who attended the “Aspects of Integrity, Decisional Transparency and Access to Information” training course. The purpose of the course, delivered by an external lecturer, was to develop skills and provide information and knowledge regarding ethics and integrity, decision-making transparency, and access to information of public interest.
- There were taken the measures necessary to publish/update, as appropriate, on the DEPOGAZ website, of the information/documents mentioned in Annex no. 4/GD no. 1269/2021 - “General standard for publication of information of public interest” and in Annex no. 5/GD no. 1269/2021 - “Standard for publication of information of public interest regarding public enterprises” depending on the applicability at the DEPOGAZ level, by 31.12.2024 at the latest.
- There was decided that documents related to the 2021 - 2025 NACS for the year 2024 should be developed and approved at the DEPOGAZ level by 31.01.2025 at the latest.

All the actions mentioned above were aimed at achieving the objectives and performance indicators related to the DEPOGAZ Integrity Plan.

Within DEPOGAZ, measures are continuously taken to prevent corruption, promote organisational integrity and anti-corruption education.

### ***Ethics***

The Code of Ethics and Integrity of DEPOGAZ serves as a guide in everyday relationships and, at the same time, reflects both the values and principles of the company, as well as its expectations regarding the behaviour of those who conduct business in accordance with the highest standards of business ethics.

The Code of Ethics and Integrity is mandatory and directly applies to all persons working for the company: employees, managers under a contract of mandate, and members of the Board of Directors.

At the Subsidiary level, the Ethics Advisor monitors compliance with the ethics and integrity rules set out in the Code of Ethics and Integrity.

Any person within DEPOGAZ who has knowledge of a violation of the Code of Ethics and Integrity or reasonable grounds to believe that such a violation occurred has a duty to immediately bring this information to the attention of the Ethics Advisor and the company's management.

The notification will be made in writing, using the model presented in Annex 2 of the Code of Ethics and Integrity and will be sent to the Ethics Advisor. He/She will in turn inform the General Manager about the notification.

Furthermore, at the DEPOGAZ level, notifications regarding violations of ethics and integrity rules (Code of Ethics and Integrity, Internal Rules, Collective Bargaining, other Internal Rules) can be directly transmitted to the General Manager through the secretariat.

This report includes a complaint regarding the violation of ethics and integrity rules.

1	Number of complaints registered regarding violations of ethics and integrity rules (Code of Ethics and Integrity, Internal Rules, Collective Bargaining, other Internal Rules)		1
2	Number of complaints pending resolution		-
3	Number of complaints resolved		1
4	Number of reports confirming violations of ethics and integrity rules		1
5	Number/category of employees who violated ethics and integrity rules (confirmed by decisions)	Management personnel	-
		Operational personnel	1
6	Actions ordered	Written warning	-
		Demotion	-
		Reduction of basic salary and/or management bonus	1
		Disciplinary termination of the individual employment contract	-
		Other actions	-
7	Number of decisions annulled or amended by the court, company management		-

#### d. General, specific objectives and lines of action from an organisational/human resources point of view

##### General objective: Increasing the company's performance

##### Specific objective:

Continuously increasing the level of vocational training of personnel, motivating them in order to improve the company's performance and, implicitly, labour productivity.

##### Lines of action:

##### Human resources management:

1. Improving human resources management at the Subsidiary level by continuously increasing the level of vocational training of the personnel to maintain and improve the existing technical expertise at the Subsidiary level, respectively ensuring a dedicated and qualified workforce;
2. Financial and non-financial motivation of personnel in order to improve company performance and, implicitly, labour productivity;
3. Rigorous planning of human resources necessary to ensure the continuity of natural gas storage.

##### 2024 achievements

On January 01, 2024, DEPOGAZ had 506 employees.

Evolution of the number of company employees between January 01 and December 31, 2024:

Specifications	2024
Number of employees at the beginning of the period	506
New employees	22
Employees who terminated their labour contract with the Subsidiary	12
Number of employees at the end of the period	516

The personnel structure at the end of 2024 is as follows:

a) By education

- Higher education 190
- Secondary education 199
- Other 127

b) By age category

- Under 30 years old 35
- 30 – 40 years old 98
- 40 – 50 years old 117
- 50 – 60 years old 230
- Over 60 ani years old 36

c) By activities – gas storage 100%

The table below shows the structure of the Subsidiary's personnel:

Entity	Workers	Foremen	TESA	Total
Registered office	23	0	166	189
Craiova Workshop	53	3	6	62
Transylvania Workshop	17	3	4	24
Înmagazinare Sud Department	90	6	6	102
Compression Department	113	16	10	139
TOTAL	296	28	192	516

During 2024 (January - December), the vocational training within the Subsidiary aimed to organise programmes according to the approved annual vocational training plan, as well as those initiated by the requirements arising from legislative changes, updating the validity of the authorisations required according to legal provisions for the Subsidiary's employees.

As a result, during this period, 323 employees attended vocational training courses, and the expenses incurred therewith amounted to RON 229,997.92.

The vocational training/refresher training plan was carried out as follows:

- 190 persons attended vocational training programmes with specialised topics required by the nature of the activity;
- 133 persons participated in training/examination sessions to obtain or extend authorisations.

In detail, the vocational training/refresher training courses carried out during this period were aimed at:

- Acquiring legislative innovations regarding the development of income and expenses budget by economic operators in which the state is the majority shareholder, through the participation of an employee directly involved in the training programme on the “New legislative amendments regarding Law no. 296/2023 on the development of income and expenses budgets” topic;
- Fulfilling the legislative requirements in the field of annual vocational training of internal public auditors, through the participation of an employee in the field in the refresher training course on the “New amendments to the legislation in the field of public procurement and their impact on the conduct of EFORMS processes” topic;
- Updating knowledge aimed at facilitating the development of the hydrogen-based industry, through the participation of three employees from the technical field in the training programme “Gas of the Future. Hydrogen and CO2 in Romanian energy”;
- Continuously developing and improving the communication skills of DEPOGAZ employees, through the participation of 15 persons in the training programme on the “Communication Skills” topic;
- Acquiring amendments to the Tax Code, the Tax Procedure Code, through the participation of 4 employees in the field in the training programme on the “Taxation and accounting - legislative innovations applicable in 2024” topic;
- Uniformly applying at the DEPOGAZ level of the regulatory acts impacting the procedures for awarding sectoral contracts, respectively the awarding of contracts for works, services and products, through the participation of 25 employees directly involved in the training course on the “Use of general and specific contract conditions GD no. 1/2018” topic;
- Complying with the Integrity Plan adopted at DEPOGAZ level in the application of the 2021 - 2025 National Anti-Corruption Strategy, measure 2.1 - Increasing the degree of anti-corruption education, of knowledge and understanding of integrity standards by employees, through the participation of 17 employees in the training programme on the “Ethics and Organisational Integrity” topic;
- Acquiring the regulations brought by the new pension law, influences on employment relationships, changes brought to assimilated periods, contribution periods, standard income according to Law no. 360/2023, through the participation of the employee with specific duties in this field in the training programme on the “Assimilated periods, seniority, contribution periods, pension categories, in light of the new legislative amendments” topic;
- Uniformly applying at the DEPOGAZ level of the regulatory acts impacting the procedures for awarding sectoral contracts, respectively the awarding of contracts for works, services and products, through the participation of one employee from the Procurement Department in the refresher training course on the “Public procurement expert” topic;
- Observing the general objectives and measures included in the Integrity Plan adopted at DEPOGAZ level in the application of the 2021 - 2025 National Anti-Corruption Strategy, through the participation of 12 employees in the training programme on the “Aspects of Integrity, Decisional Transparency and Access to Information” topic;
- Increasing the level of vocational training of employees who carry out activities specific to gas extraction operators, through the participation of 61 employees directly involved in the process in the refresher training course on the “Gas extraction, treatment, transport and distribution operator” topic;

- Increasing the level of vocational training of employees who carry out activities specific to natural gas compression, through the participation of 36 employees directly involved in the process in the refresher training course on the “Compression technician” topic;
- For employees whose authorisations expire, participating in courses and/or exams to obtain/extend them, taking into account the exercise of the profession in accordance with the legal provisions in force.

The salary expenses were within the limits set in the draft income and expenses budget for 2024.

Within DEPOGAZ there are two **trade union organisations**, i.e.: “*Sindicatul Liber Romgaz*”, with 42 members and “*Sindicatul Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești*”, with 455 members.

Thus, the total number of union members within the company is 497 out of the total number of employees of 516, resulting in a unionisation rate of 96.31%.

**Relationships between managers and employees:** starting with June 01, 2024, a new Collective Bargaining came into force following negotiations with the “*Sindicatul Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești*” union, which is the representative union at the Subsidiary level. The Collective Bargaining is valid from June 01, 2024 to May 31, 2026.

#### **e. Objectives and lines of action - Storage, Technical, Investments**

**The main specific objectives for storage derived from the global objectives set forth by the Sole Shareholder are as follows:**

- *optimising, developing and diversifying the underground storage, by reconsidering its importance, to ensure safety, continuity and flexibility in natural gas supply;*
- *increasing the daily injection/extraction capacity through investments;*
- *exploring/identifying natural gas storage possibilities in salt caverns;*
- *identifying new opportunities for growth and diversification of the company's activity, both domestically and regionally;*
- *increasing the company's performance.*

**The strategic lines** proposed for the short, medium and long term are as follows:

1. *modernisation of storage facilities,*
2. *increasing the storage capacity,*
3. *increasing the flexibility of the infrastructure,*
4. *increasing the degree of safety in operation of wells used for the injection/extraction of gas in/from storage facilities.*

#### **Lines of action:**

In this regard, under the coordination of the General Manager, DEPOGAZ aims to:

- Improve maintenance activities by implementing the “MAXIMO” information system which will ensure the management of assets, both owned and leased, with a focus on optimising operational performance, extending the life cycle and reducing downtime and costs.

- Track production data and make decisions that lead to improving the operational performance of storage facilities through OFM software (specialised software for the oil and gas industry) which allows monitoring and controlling operational performance per well/group/storage facility, predicting operational behaviour per well/storage facility, analysing decline curves of extracted gas flows per well/group/storage facility, viewing, correlating and analysing reservoir and production data using interactive maps with production trends, bubble plots.
- In order to ensure the optimal need for functioning wells for the operation of natural gas storage facilities at maximum capacity, we intend to perform special operations at the well using slickline equipment in order to assess the static reservoir pressures after each injection/extraction cycle, correlate the gas stock with the reservoir pressure and detect any problems in the wellbore, perform special operations with flexible tubing equipment or wireline/slickline equipment, in order to remedy any problems occurring in the wellbore.
- In order to determine new opportunities to increase daily injection/extraction flows or to increase the active capacity of the storage facilities, we intend to carry out special investigation operations carried out in the wellbore in order to increase the level of knowledge of the reservoir.
- The implementation of the GIS (Geographic Information System) system started in previous years, thus ensuring quick access to all information regarding gas storage facilities for all interested departments within the company, also providing support in the procedure for issuing location approvals.
- Continuous development and updating of IT and communications systems in order to streamline the information system and use it to its maximum potential with minimal risks, while also developing the procedural system in the field of IT security.
- Optimisation, development and diversification of underground natural gas storage, including through the multi-cycle use of storage capacities as follows:

#### **A. Increasing daily extraction capacity from storage facilities**

To achieve this objective, DEPOGAZ continues the work to modernise the infrastructure of gas storage systems in the Bilciurești, Sărmășel and Ghercești Storage Facilities.

#### **B. Increasing natural gas storage capacities in existing storage facilities**

In view of achieving this objective, DEPOGAZ continues the work to increase the gas storage capacity in the Ghercești Storage Facility from 150 million cubic meters/cycle to 600 million cubic meters/cycle and in the Bilciurești Storage Facility from 1,310 million cubic meters/cycle to 1,410 million cubic meters/cycle.

#### **C. Multi-cycle use of storage capacities**

To achieve this objective, DEPOGAZ continues the transformation and modernisation of the storage facilities related to the Bălăceanca Storage Facility.

#### **D. Transformation of newly depleted gas reservoirs into storage facilities**

In view of achieving this objective, DEPOGAZ aims to:

- Prepare a feasibility study for the transformation into a storage facility of a reservoir located in the north-eastern area of Romania (MOLDAVIA) with an active capacity of approximately 200 million cubic meters/cycle;

## 2024 achievements

Currently, DEPOGAZ operates 5 storage facilities, developed in depleted natural gas reservoirs, with a storage capacity of 2.870 billion cubic meters.

In 2024, the ratio between the volume of stored gas and the working volume of storage facilities was 102.68%.

The underground storage of natural gas is a public service, a deregulated activity and can only be carried out by operators licenced by ANRE for this purpose. The tariffs for underground storage are approved by the Board of Directors of DEPOGAZ.

The storage tariffs applied are presented in the following table:

Tariff component	UoM	Tariff (01.01.2024- 31.03.2024)	Tariff (01.04.2024- 31.12.2024)
Capacity reservation tariff related to the services for underground storage of natural gas	RON/MWh/annual cycle of storage underground	9.82	10.34
Natural gas injection tariff	RON/MWh	7.27	6.86
Natural gas extraction tariff	RON/MWh	5.94	5.43

DEPOGAZ holds Licence no. 1942/2014 for operating the 5 underground natural gas storage facilities, developed in depleted gas reservoirs, whose cumulative capacity accounts for approximately 90.54% of Romania's total storage capacity.

The capacity of the underground storage facilities operated by DEPOGAZ, starting with January 1, 2023, is presented in the table below:

Storage facility	Active capacity		Extraction capacity		Injection capacity	
	[mil. st m <sup>3</sup> /cycle]	[TWh/cycle]	[mil. st m <sup>3</sup> /day]	[GWh/day]	[mil. st m <sup>3</sup> /day]	[GWh/day]
Bălăceanca	50	0.535	1.200	12.840	1.000	10.700
Bilciurești	1,310	14.017	14.000	149.800	10.000	107.000
Ghercești	250	2.675	2.000	21.400	2.000	21.400
Sărmășel	900	9.630	7.500	80.250	6.500	69.550
Urziceni	360	3.852	4.500	48.150	3.000	32.100
Total	2,870	30.709	29.200	312.440	22.500	240.750

### Bălăceanca Storage Facility

The Bălăceanca structure is located about 4 km from Bucharest.

The fixed assets which contribute to the gas storage process are the following:

- 24 wells, of which 21 injection/extraction wells and 3 piezometric wells;

- above-ground infrastructure consisting of:
  - ✓ Bălăceanca gas compressor station;
  - ✓ 8.4 km of gathering pipelines;
  - ✓ 4 separators;
  - ✓ 4 gas technological metering installations;
  - ✓ gas drying station;
  - ✓ 15 well gas heaters;
  - ✓ system for communication and parameter acquisition via optical fibre;
  - ✓ bi-directional fiscal metering skid.

### ***Bilciurești Storage Facility***

The Bilciurești structure is located in Dâmbovița County, about 40 km W-NW of Bucharest.

The fixed assets which contribute to the gas storage process are the following:

- 65 wells, of which 60 injection/extraction wells, 4 piezometric wells, 1 wastewater injection well;
- above-ground infrastructure consisting of:
  - ✓ Butimanu gas compressor station;
  - ✓ 4 gas drying stations;
  - ✓ 26.5 km of gathering pipelines related to the 60 injection/extraction wells;
  - ✓ 50 well gas heaters;
  - ✓ 14 impurity separators;
  - ✓ 14 gas technological metering installations;
  - ✓ 37.5 km of gathering pipelines;
  - ✓ bi-directional fiscal metering skid;
  - ✓ wastewater injection station.

### ***Ghercești Storage Facility***

The Ghercești structure is located in Dolj County, very close to Craiova.

The fixed assets which contribute to the gas storage process are the following:

- 85 wells, of which 79 injection/extraction wells and 6 piezometric wells;
- above-ground infrastructure consisting of:
  - ✓ 135.7 km of gathering pipelines related to the 79 wells;
  - ✓ 22.6 km of gathering pipelines;
  - ✓ 13 impurity separators;
  - ✓ 12 gas technological metering installations;
  - ✓ gas drying station;
  - ✓ system for communication and parameter acquisition via optical fibre;
  - ✓ bi-directional fiscal metering skid.

### ***Sărmășel Storage Facility***

The Sărmășel structure is located within Sărmășel, 35 km NW of Târgu-Mureș, 35 km N of Luduș and 48 km E of Cluj-Napoca.

The fixed assets which contribute to the gas storage process are the following:

- 69 wells (drilling works at 6 of them were completed in December 2024);
- above-ground infrastructure consisting of:
  - ✓ Sărmășel gas compressor station;
  - ✓ 3 natural gas drying modules with triethylene glycol;
  - ✓ 29.5 km of gathering pipelines related to 69 wells, and the supply pipeline related to the 6 new wells were put into operation in January 2025;
  - ✓ 13.8 km of gathering pipelines;
  - ✓ 59 impurity separators;
  - ✓ bi-directional fiscal metering skid.

### **Urziceni Storage Facility**

The Urziceni structure is located in Ialomița County, about 50 km NE of Bucharest.

The fixed assets which contribute to the gas storage process are the following:

- 31 wells, of which 30 injection/extraction wells and 1 piezometric well;
- above-ground infrastructure consisting of:
  - ✓ Urziceni gas compressor station;
  - ✓ 19.5 km of gathering pipelines related to the 31 wells;
  - ✓ 3.3 km of gathering pipelines;
  - ✓ 6 gas technological metering installations;
  - ✓ 29 well gas heaters;
  - ✓ 1 gas drying station;
  - ✓ system for parameter acquisition via optical fibre;
  - ✓ bi-directional fiscal metering system.

### **Injected/extracted quantities**

In 2024, a quantity of 2,103,890.788 thousand cubic meters (22,519,064.814 MWh) was extracted, a 2% increase compared to the estimated quantity.

In 2024, a quantity of 1,580,538.592 thousand cubic meters (16,897,634.584 MWh) was injected, a 2% increase compared to the estimated quantity.

STORAGE FACILITIES	Extraction 2024		Injection 2024	
	[thousand m3]	[MWh]	[thousand m3]	[MWh]
<b>Bilciurești</b>	959,621.215	10,352,262.654	626,386.784	6,749,796.988
<b>Urziceni</b>	382,658.329	4,141,553.288	300,163.113	3,250,775.163
<b>Bălăceanca</b>	36,624.466	397,141.975	26,403.654	286,552.492

<b>Ghercești</b>	1,341,607.233	1,444,014.697	152,563.943	1,636,196.958
<b>Sărmășel</b>	590,379.545	6,184,092.200	475,021.098	4,974,312.983
<b>TOTAL</b>	<b>2,103,890.788</b>	<b>22,519,064.814</b>	<b>1,580,538.592</b>	<b>16,897,634.584</b>

In 2024, a total quantity of 13,857.261 thousand cubic meters (147,753.752 MWh) was recorded as technological consumption, a decrease of approximately 20% compared to the estimated quantity, justified by the fact that part of the quantity of natural gas extracted from the Sărmășel Storage Facility was produced without the compressor station equipped with gas-motor-compressors.

The expenses incurred with natural gas used for technological purposes is as follows:

Year	Fuel gas consumption		Fuel gas value (without VAT)	Excise duty Engine gas (without VAT)	Excise duty for heating (without VAT)	TOTAL (without VAT)
	thousand m3	MWh	RON	RON	RON	RON
<b>2024</b>	13,857.261	147,753.752	28,071,667.85	9,047,360.14	38,805.67	37,157,833.67

### Investment

For 2024, DEPOGAZ had an approved investment programme of RON 61,936.00 thousand, the degree of achievement of the investment programme being 89%.

The investment was financed exclusively from own sources.

- Thousand RON -

Item	Specifications	2024 programme	2024 achievements
1.	Research activities for the discovery of new natural gas reserves	0	0
2.	Exploitation of underground gas fields and storage facilities, infrastructure and utilities in fields and storage facilities	46,997.83	41,426.65
3.	Activities for the underground storage of natural gas	503.67	338.05
4.	Environmental improvement and protection	0.00	0.00
5.	Modernisation and retrofitting of existing installations and equipment, above-ground infrastructure, utilities	9,050.00	8,603.73
6.	Independent equipment and machinery	4,713.50	4,251.88
7.	Expenses with consulting, studies and projects, software, licences and patents, etc.	671.00	541.90
	<b>GRAND TOTAL</b>	<b>61,936.00</b>	<b>55,162.21</b>

The main investments achieved in 2024 are as follows:

### **1. Modernisation of the natural gas storage system infrastructure – Bilciurești**

During 2024, works included in Phase I of the project were carried out, as follows:

- Works within the project Systematisation of Butimanu – Bilciurești gathering pipelines – SC BUTIMANU – RON 1,809.88 thousand;
- Works for the modernisation of the gas metering system of the Bilciurești Storage Facility – RON 3,611.79 thousand;
- Completion of drilling works for wells 174 and 175 Bilciurești – RON 11.30 thousand;
- Works for the modernisation of building CORP A Butimanu Compressor Station: RON 498.21 thousand.

The following achievements were recorded within Phase II of the project:

- Fees were paid for approvals and agreements related to the process of permitting the performance of works within the project “Increasing the daily extraction capacity in the Bilciurești Storage Facility - CEF” - Butimanu - Bilciurești Gathering Pipeline, amounting to RON 377.78 thousand;

The following contractual agreements were signed at the beginning of December 2024:

- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 1 “Modernisation of groups of wells” with the Consortium INSPET (Leader) - ROCONSULT TECH (Joint Tenderer) - HABAU (Joint Tenderer), amounting to RON 217,221.54 thousand;
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 2 “Modernisation of wells” with the Consortium FORAJ SONDE VIDELE (Leader) - DEVELTOR (Joint Tenderer), amounting to RON 249,772.59 thousand;
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 3 “Injection/extraction gathering pipeline DN600 PN150 Butimanu - Bilciurești” with the Consortium INSPET (Leader) - ROCONSULT TECH (Joint Tenderer) - HABAU (Joint Tenderer), amounting to RON 67,947.20 thousand;
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 4 “Cooling System” with the Consortium SUTECH (Leader) - BAT MEDIAȘ (Joint Tenderer), amounting to RON 45,394.37 thousand;
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 5 “Digitalisation of the gas storage process in the Bilciurești Storage” with the Consortium ROCONSULT TECH (Leader) - INSPET (Joint Tenderer), amounting to RON 15,348.15 thousand.

### **2. Increasing the underground natural gas storage capacity of the Ghercești Storage Facility**

During 2024, there was started and afterwards suspended the drafting of the technical design for the modernisation of 15 wells within the Ghercești Storage Facility due to the difficulties encountered in acquiring the land necessary to carry out the project.

- Within the investment “Natural gas compression, drying and metering facility to increase underground gas storage capacity in the Ghercești Storage Facility”, fees for approvals and agreements of RON 0.26 thousand were paid.
- Within the investment “Natural gas compression, drying and metering facility to increase underground gas storage capacity in the Ghercești Storage Facility”, design expenses of RON 297.04 thousand were incurred.

### **3. Increasing the underground natural gas storage capacity of the Sărmășel Storage Facility (Transylvania)**

During 2024, the drilling works for 6 new wells within the Sărmășel Storage Facility were started and completed, and the works included in Phase I of the project “**Increasing the underground gas storage capacity of the Sărmășel Storage Facility from 900 million cubic meters/cycle to 1550 million cubic meters/cycle**” were continued, as follows:

- The drilling works for 6 new wells and the above-ground technological installations, well site and access road were started and completed, with achievements amounting to RON 41,580.35 (this value also includes the expense incurred with the development of the technical design);
- The modernisation works of 12 existing wells were completed - RON 882.65 thousand.

4. Other achievements during 2024 within the Investment Programme consisted of the acquisition and commissioning of independent machinery and equipment, works for the modernisation and retrofitting of existing installations and equipment, above-ground infrastructure, and utilities, as follows:

- Modernisation of the Ghercești Storage Facility grid equipment - RON 162.34 thousand;
- Modernisation of Qsonic ultrasonic meters – RON 9.20 thousand;
- Modernisation of the Sărmășel wells technological metering system – RON 125.00 thousand;
- Cathodic protection installation for the Urziceni storage facility – RON 300.00 thousand;
- Modernisation of the Urziceni Storage Facility grid equipment - RON 170.67 thousand;
- Modernisation of the Bălăceanca Storage Facility grid equipment - RON 99.41 thousand;
- Backup power supply for the Depogaz Headquarters – RON 698.54 thousand;
- Classified information room arrangement – RON 175.00 thousand;
- Firefighting equipment – RON 40.05 thousand;
- Forklift truck – RON 159.00 thousand;
- Pressure washer pump – RON 16.23 thousand;
- Submersible pump – RON 8.94 thousand;
- Wood chipper – RON 10.72 thousand;
- Complete pneumatic wrench equipment – RON 39.48 thousand;
- Powder analyser – RON 46.33 thousand;
- Flue gas analyser – RON 18.95 thousand;
- Thermostatic baths – RON 488.95 thousand;
- Electric car charging stations – RON 199.00 thousand;
- Electric cars – RON 673.80 thousand;
- 4x4 van – RON 245.50 thousand;

- Computing systems – RON 95.62 thousand;
- Network servers - RON 258.37 thousand;
- Mobile video projector – RON 6.47 thousand;
- Metal pipe locator – RON 88.80 thousand;
- Hydraulic separator – RON 42.70 thousand;
- Gas heaters type IIX140 – RON 698.00 thousand;
- Air conditioner – RON 4.30 thousand;
- Ghercești UPSs – RON 238.10 thousand;
- 10KVA voltage generator – RON 111.94 thousand;
- Ultrasonic meter US DN 400 – RON 604.30 thousand;
- Power supplies – RON 156.33 thousand;
- Microsoft licences 2024 – RON 138.15 thousand;
- Network software packages – RON 2.75 thousand.

The projects for the development of the natural gas storage system are also included in the Development Plan for the National Natural Gas Transmission System for the period 2024 - 2033, approved by ANRE by Decision no. 2717/17.12.2024.

### ***Technical work***

Based on the organisation's objectives, the following actions were taken during 2024:

- There were issued 1820 location approvals requested for permitting the execution of works within the storage facilities operated and managed by DEPOGAZ, the total value collected for the approvals issued during this period being of approximately RON 55,900;
- There were analysed the technical and financial documents of the companies that submitted tenders for the execution of the works related to the PCI 6.20.7 Bilciurești UGS project - "Daily withdrawal capacity increase - Bilciurești UGS" - "Increase in the daily natural gas extraction capacity in the Bilciurești Storage Facility";
- There was provided the technical support necessary for drawing up the fixed assets annexes related to the tender book for demolitions in the Bilciurești Storage Facility and the proposals for scrapping fixed assets belonging to DEPOGAZ and ROMGAZ;
- There was provided the technical support for the execution of works on the A0 Bucharest bypass highway, the DC165 Mișchii Commune road, the DEX12 expressway, lot 1, Craiova area, roads that intersect facilities operated by DEPOGAZ;
- There was entered GIS data for technological installations related to the facilities, as well as for topographic surveys in the case of new facilities, and maps with the related changes were published on the DEPOGAZ website and intranet;
- There was updated the GIS database regarding the issuance of location approvals for those who want to build within the safety perimeters of DEPOGAZ facilities, a service that provides support for the issuance of approvals and the supervision of pipeline routes within the sections.

### ***Information technology and telecommunications***

The activity carried out during 2024 was oriented towards the carrying out of maintenance, upkeep and verification works and services included in the 2024 Annual Sectoral Procurement Programme.

In this respect, in order to maintain the information system, as well as the information technology and telecommunications equipment, in good working order, the following administration, monitoring, maintenance, development and modernisation activities were carried out, materialised in:

- **Configuration, maintenance and monitoring of equipment and software products at the headquarters;**
  - 75 servers (file, database, GIS server, Primavera P6 Enterprise Project, Maximo, 4SIGHT2, etc.) - most of these servers are Windows Server 2022 systems, the rest are servers with Linux operating systems, which provide the following services: domain, DNS, DHCP, backup, printing - scanning, software update, firewall, SFTP;
  - workstations, notebooks, printers, etc.;
  - basic software products and utilities (operating systems, office packages, browsers, email clients, etc.);
  - network and communication equipment at the headquarters (switches, routers);
  - monitoring the operation of equipment and the networking;
  - IP address management and allocation for network equipment;
  - monitoring the operation of data communication services – Internet and VPN (virtual private network of the Intranet system) for all locations;
  - administration of software packages for Internet services and mailboxes;
  - maintenance and updating of the LEGE 5 product;
  - installation, configuration and administration of equipment and software packages that ensure the security of the information system (antivirus packages, firewalls, etc.);
  - defining and implementing security policies on DEPOGAZ equipment;
  - solving problems that arise in the operation of equipment, software products, communications and the information system;
  - administration and support for the “MAIS” ERP application used within DEPOGAZ;
  - maintenance and updating of DEPOGAZ websites – official website ([www.depogazploiesti.ro](http://www.depogazploiesti.ro)), DEPOGAZ intranet portal; permanent updating of websites and web applications, including related databases;
  - management of users and user rights;
  - updating the ESET antivirus protection solution used on all workstations within DEPOGAZ.
- **Modernisation of the information system of DEPOGAZ through the following actions:**
  - Two servers were purchased in order to improve the IT system so as to increase performance and improve data processing capacity;
  - The work to modernise the telecommunications network at the Ghercești, Urziceni and Bălăceanca Storage Facilities has been completed. The network equipment in use is over 10 years old, out of warranty and at “End Of Life”, thus no longer being able to ensure the appropriate level of availability and security;
  - Due to the aging of the computer park, 28 computer systems were installed and configured, replacing the existing physically/morally worn out ones.
  - A mobile video projector was purchased in order to ensure the smooth running of meetings, curses and various presentations;
  - A subscription was purchased for a dedicated software product for scanning equipment within the DEPOGAZ infrastructure and identifying potential vulnerabilities;

- Taking into account the need to ensure the protection and security of sensitive information at the Data Centre level, as well as the need to ensure access to this information, both the software subscription and the hardware support subscriptions related to the Cisco equipment were renewed;
- Software subscription update support and subscription have been purchased: VMware vSphere Enterprise Plus, VMware vCenter Server Standard for vSphere and VMware Workstation Pro, used for server virtualisation and management (printing, files, monitoring, landline telephony, etc.);
- There was implemented a software solution that provides a single management workstation, allowing the simplification and automation of routine processes for each network equipment – installation, configuration, enabling/modification of services, software update, etc. The solution also takes stock of network equipment and automatically discovers any newly added devices, enrolls them and performs the correct configurations (previously established and validated). The application continuously monitors the versions of operating systems running on network equipment, signalling the need for updates, thus ensuring the observance of compliance requirements;
- The implementation of a software solution for managing the occupational safety (OSH) and emergency situations (ES) process has begun, and it will greatly contribute to supporting the company's policies, in the context of Law no. 319/2006 on occupational health and safety of DEPOGAZ employees;
- There was purchased a subscription for Veeam Data Platform Essentials Enterprise Plus software, used to backup virtualised servers;
- There was purchased a subscription for the legislative software used for legislative and legal documentation needs;
- There were purchased 10 ABBYY FineReader PDF Corporate Subscriptions for 36 months with concurrent users, necessary for document processing and certification;
- There was purchased the DOCLIB application, necessary for the preparation and analysis of economic assessments of the costs of works, in order to prepare databases on works with the help of which investment works can be estimated as accurately as possible.

• **The modernisation of production process automation materialised in:**

The procedure for the procurement of works for the “Modernisation of the control room and automation installations of the Urziceni Compressor Station” was completed. The following benefits are expected from carrying out this work:

- Modernisation of the equipment in the electrical distributor by creating an interface with the existing DCS System;
- Modernisation of the technological process by designing more efficient systems for gas flow metering;
- Modernisation of CCTV and burglary systems;
- Optimising the operation of the gas compressor station by harmonising the command and control architecture between the gas compressors and the existing PCS/ESD System;
- Increasing the operational safety of the Urziceni Gas Compressor Station;
- Modernisation of the Control Room and the existing concept with respect to the current DCS and SCADA system;
- Optimisation of electrical interconnection, as well as automation between the various components of the Urziceni Gas Compressor Station;
- Creation of integrated Cause & Effect diagrams for the entire Urziceni Compressor Station.

The Tender Book for “Modernisation of the control room and automation installations of the Urziceni Compressor Station” was drawn up. The following benefits are expected from carrying out this work:

- Modernisation of the Control Room and the existing concept with respect to the current DCS and Scada system;
- Increasing the operational safety of the Sărmășel Gas Compressor Station;
- Modernisation of CCTV and burglary systems.

• **Implementation of information security policies:**

The security structure members attended the 2024 Cyber Europe Exercise, which proposed a fictional scenario in which a mass cyberattack was simulated targeting entities in the energy sector across the EU. The aim of the exercise was to test national and European response mechanisms to such incidents, involving both private companies in this sector and the relevant national authorities. Members of the security structure, together with the National Cyber Security Directorate (NCSD), the Ministry of Energy and numerous experts from companies in the energy sector - ENGIE Romania, DELGAZ Grid, CONPET, Nuclearelectrica and ELCEN - worked on managing the scenarios proposed by ENISA, both at the technical level, at the crisis communication level, and at the decision-making level. The exercise was an opportunity to simulate interaction at the national level in the format of the National Cybersecurity Crisis Management Centre, which includes several authorities with competences in the field of cybersecurity and crisis management at the national level.

***f. General, specific objectives and lines of action in the field of sectoral procurement***

**General objective: Increasing the company's performance**

**Specific objective:**

Improving the process of procurement of products, works and services through dynamic planning and prioritisation, in order to ensure, on time and in the necessary quantities, the products and services necessary for carrying out current and investment activities;

**Lines of action:**

Sectoral procurement contract management

1. continuous improvement through personnel participation in vocational training courses in the field of public procurement and sectoral procurement;
2. continuous implementation of legislative changes by correlating them with the internal procedures applicable at DEPOGAZ level in the field of sectoral procurement.

**2024 achievements**

The sectoral procurement work carried out in 2024 is detailed in the following table:

Number of sectoral procurement procedures completed	438	Open tender procedure	10
		Simplified procedure	13

		Direct procurement	412	
		NFIP	3	
		Assigned	-	
		Transaction	-	
Number of contracts concluded/Value	151/ RON 793,204,317.25	Contracts for Products	32	RON 123,297,752.06
		Contracts for Services	95	RON 23,550,674.56
		Contracts for Works	24	RON 646,355,890.63
		Utilities	-	-

## Supply

Between January 01 and December 31, 2024, within the specialised organisational unit (the Supply Department), there were drawn up preparatory documents (cumulation of necessary supplies received from Departments and Workshops, preparation of purchase requisitions) for placing 350 supply orders for direct procurement of auxiliary materials, spare parts, inventory items, consumables and hygienic and sanitary products.

These supply orders amounted to RON 6,389,049.32.

The invoices for the 350 supply orders placed were verified in terms of quantity, quality, UoM and price, according to the commercial offers received from suppliers.

Following these verifications, the invoices were certified in terms of reality, regularity and legality of the operations, and they were afterwards entered into the MAIS accounting system and the goods received notes were requested from the management of the DEPOGAZ Storage Departments and Workshops.

During this period, there were also drawn up 4 tender books, together with the related documents (request for economic offers to establish the estimated value, purchase requisition, financial proposal form, technical proposal form), for the procurement of:

- Oils for gas compressors;
- Spare parts for gas compressors - 2 tender books;
- Valves.

## ***g. General, specific objectives and lines of action - Quality, Environment, Occupational Health and Safety***

### **General objective: Increasing the company's performance**

### **Specific objectives and lines of action:**

Under the coordination of the General Manager, DEPOGAZ has implemented and developed an Integrated Management System, a coherent and unique system integrating all business components and enabling the achievement of its purpose and mission by:

- Compliance with legal and other applicable requirements relating to environmental aspects and risks of occupational accidents and diseases;
- Ensuring the appropriate organisational framework for establishing the objectives of the integrated quality - environment - occupational health and safety management system;
- Raising awareness among own personnel and those working on behalf of the organisation and improving communication in order to ensure active participation in achieving objectives;
- Preventing and reducing the risks of occupational diseases and accidents in the workplace;
- Consulting employees on any aspect related to occupational health and safety;
- Permanent assessment of risks/opportunities generated by the context in which the organisation evolves and of risks/opportunities related to processes and establishment of actions to address them.

The valid environmental and water management permits held by DEPOGAZ, ensure compliance of the activities/facilities with legal requirements for preventing, reducing pollution and eliminating the impact on the environment and human health.

Environmental permits establish the course of action in the event of situations generating pollution of environmental factors, to reduce and eliminate the impact on the environment and human health.

The occupational health and safety protection and care are fundamental for DEPOGAZ, and maintaining a risk-free working environment and eradicating factors that could lead to occupational accidents or diseases constitute a constant and main objective.

The valid authorisations held by DEPOGAZ ensure occupational health and safety conditions and the prevention of occupational accidents and diseases before the start of any work.

The General Manager of DEPOGAZ declares his commitment to maintain and improve, within the organisation, the integrated quality - environment - occupational health and safety management system, in accordance with SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2018.

## **2024 achievements**

### ***Integrated Management System***

#### **I. Continuous improvement of the Integrated Management System documentation**

Process owners identify the need to withdraw, prepare or update documents and ensure that:

- the lack of these documents would not affect DEPOGAZ's ability to meet customer requirements, the applicable legal and regulatory requirements;

- responsibilities are ensured and identified and the duties of the personnel, established by the Rules for Organisation and Operation, so as to best meet the requirements of the standards and compliance obligations;
- their existence would reduce the likelihood of non-conformities or misconducts; investigation of work incidents and accidents, energy consumption;
- the documented information is always available where needed and it is adequately protected.

Having regard to:

- Decision no. 164/01.10.2024 of the General Manager,
- the requirement of the SRAC CERT certification body regarding the fact that ISO 45001:2018 was adopted as the European standard EN ISO 45001:2023 and ASRO adopted this standard under the name SR EN ISO 45001:2023, as well as the fact that the certificates issued for SR ISO 45001:2018 will be replaced in accordance with the certificates for SR EN ISO 45001:2023, the IMS documents were reviewed and transitioned to "Issue" 3.

## PLANNED AUDITS

Number of planned audits	Number of conducted audits	Non-conformities	Number of Recommendations
9	9	-	21

The work is organised for the recovery, recycling and reclaiming of waste resulting from activities carried out in compliance with the requirements of SR EN ISO 14001:2015.

## II. INTERNAL AUDIT OF THE INTEGRATED MANAGEMENT SYSTEM

The internal audit of the IMS operation was carried out based on the annual internal audit programme of the IMS, endorsed by the Quality, Occupational Health and Safety and Environment Manager and approved by the General Manager, for the areas specific to the activities carried out within DEPOGAZ.

Internal audits in the fields of quality, environment and occupational health and safety were carried out based on SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR EN ISO 45001:2018, by designated internal auditors.

Number of planned audits	Number of conducted audits	Non-conformities
43	42	-

During the audits, there was analysed the progress of implementation in organisational units of SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR EN ISO 45001:2018, together with the IMS departmental managers, in order to meet the requirements for maintaining the certification.

Following the internal audits carried out, there were identified positive aspects of the IMS operation, as well as situations that may generate non-conformities, for which a number of recommendations were made.

## III. IDENTIFICATION AND ASSESSMENT OF ENVIRONMENTAL ASPECTS (EA)

The environmental impact assessment for DEPOGAZ is a process intended to assess and identify potential significant effects on the environment, in order to establish measures to minimise and/or eliminate them.

As per ISO 14001: 2015, DEPOGAZ updated and maintains information relating to environmental aspects of activities, products and services of the organisation under the control and influence of the company and to the impacts on the environment associated with them, in life cycle terms.

The assessment did not determine any possible significant effects on the environment or the health of employees.

#### IV. MANAGEMENT REVIEW CARRIED OUT BY THE GENERAL MANAGER OF DEPOGAZ

The process is carried out under the direct guidance of the General Manager according to procedure 04PO-01 Management review.

The review was carried out by the Board of Directors of the Integrated Management System of DEPOGAZ to assess the capability of the integrated management system to continue to meet the requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018.

By Decision no. 164/01.10.2024 of the General Manager, in all the documentation related to the Integrated Management System of SNGN Romgaz SA - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL, SR ISO 45001:2018 will be replaced by SR EN ISO 45001:2023 by revising all documents and transitioning them to "Issue" 3.

The Management Review Report is based on the results of the monitoring of the processes included in the Integrated Management System implemented within DEPOGAZ and the evidence provided by the internal audit and external audit reports.

#### V. EXTERNAL RECERTIFICATION AUDIT

SRAC CERT carried out the supervisory audit during the period 19.11 - 22.11.2024, according to the Recertification Audit Plan.

##### ➤ Planned audits

Number of planned audits	Number of additional audits required	Number of conducted audits	Non-conformities	Areas of improvement
16	0	16	0	1

DEPOGAZ maintains its certification which implies the compliance of Management Systems with the reference standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018.

The certificates were posted on the DEPOGAZ website at <https://www.depogazploiesti.ro/ro/despre-noi/sistem-management-integrat>

#### ***Environmental protection***

In terms of environmental protection and water management, DEPOGAZ's activity is authorised in accordance with GEO no. 195/2005 on environmental protection, as amended and supplemented, and the Water Law no. 107/1996, as amended and supplemented.

**1. Status of environmental permits and water management permits.**

DEPOGAZ holds 16 environmental permits, 7 water management permits and one water management permit for the well 106 Bilciurești groundwater injection station.

**Environmental permit status - annual endorsement:**

Following the publication of Law no. 219/15 November 2019 amending and supplementing Article 16 of Government Emergency Ordinance no. 195/2005 on environmental protection, which states that “The environmental permit and the integrated environmental permit remain valid for the entire period in which their beneficiaries obtain the endorsement”, decisions were obtained regarding the annual endorsement for environmental permits.

**2. Records of waste, water consumed and discharged, fuel gas consumed - monthly:**

- Records of waste management by site and centralisation of waste by type of hazardous or non-hazardous waste;
- Records of the quantity of water consumed and discharged, both for water from own wells and that supplied by local operators;
- Records of the quantity of fuel gas consumed by each type of installation (gas-motor-compressors, gas heaters, drying stations, thermal power plants, power generators).

**3. Environmental factor monitoring**

According to the requirements provided in the environmental permit, monitoring was carried out and the values recorded for each monitoring indicator are below the maximum permitted limits provided in the regulatory acts.

**4. Inspections carried out**

External and internal inspections were carried out and there were not found any non-conformities.

**5. Environmental protection expenses**

The expenses scheduled for 2024 amount to RON 474,000, and the expenses incurred (sanitation services, water consumption, hazardous and non-hazardous waste disposal, other taxes paid to the authorities, the environmental fund, permitting documentation, etc.) amount to RON 323,034.

***Occupational health and safety***

In accordance with the strategic line of development of DEPOGAZ, the quality, environment, occupational health and safety policy is oriented towards meeting the requirements of customers and relevant stakeholders, observing and fulfilling legal and other requirements, legal requirements in the field of underground natural gas storage and ensuring a healthy working environment for all personnel, in safe conditions.

The integrated management system is applicable to all processes identified within the organisation and supports the fulfilment of the mission in the field of occupational health and safety through the following actions:

- Compliance with legal and other applicable requirements relating to environmental aspects and risks of occupational accidents and diseases;
- Ensuring the appropriate organisational framework for establishing the objectives of the integrated quality - environment - occupational health and safety management system;
- Ensuring conditions for continuous improvement of OSH performance, eliminating hazards, preventing injuries, reducing the risks of occupational diseases and accidents in the workplace;

- Consulting and involving workers, as well as workers' representatives, on any aspect related to occupational health and safety;

In order to comply with the standards and legal requirements on occupational health and safety, an Occupational Health and Safety Committee is established at DEPOGAZ level.

The occupational health and safety work is carried out based on the Occupational Health and Safety Law no. 319/2006. This law aims to establish measures to promote the improvement of occupational safety and health of workers.

➤ **Workplaces inspection** – carried out by the personnel of the specialised organisational unit (Prevention and Protection Department) within the Subsidiary and by the bodies authorised by law - the Territorial Labour Inspectorates.

The occupational health and safety work was carried out through inspections at the Subsidiary's facilities, and these inspections were aimed at strengthening measures to prevent occupational accidents, through training and verification of compliance with occupational health and safety regulations.

During 2024, the authorised state institutions, i.e. the Territorial Labour Inspectorates, carried out no inspections and the members of the Prevention and Protection Department carried out 7 inspections.

The inspections carried out revealed 2 deficiencies, which were remedied within the stipulated deadlines.

No sanctions were imposed for the deficiencies found.

➤ **Achievements:**

There was pursued the fulfilment of the indicators included in the 2024 OHS Performance Monitoring and Measuring Programme, as well as the compliance with legal requirements on occupational health and safety.

➤ **Authorisations obtained:**

In 2024, there were authorised:

- ISCIR:
  - Crane operator, Group E: 19 persons;
  - Boiler operator: 9 persons;
  - RSVTI operator: 7 persons;
  - Forklift operator: 3 persons;
  - Welder: 3 persons;
- The Ministry of Economy:
  - DTI construction site manager: 5 persons;
- ANRE
  - Electrician: 8 persons;
  - Plumber: 10 persons;
- INSEMEX
  - Responsible for technical equipment and installations in industrial spaces with explosive atmosphere hazard: 12 persons.

### ➤ Work accidents

During this period, at the DEPOGAZ headquarters occurred an event that caused superficial injuries, which only required first aid and did not result in incapacity for work, falling under Article 5(q) of the Occupational Health and Safety Law no. 319/2006 as a minor accident.

No cases of occupational or work-related diseases were recorded during the reference period.

### **h. Financial statements, capacities, tariffs**

As of April 01, 2021, the storage was deregulated. The applicable tariffs are calculated based on the Rate Calculation Methodology prepared by DEPOGAZ and approved by the Decision of the Board of Directors no. 3/05.03.2021 and the Decision of the Board of Directors no. 8/30.09.2021.

#### **Statistical data relating to storage**

By definition, natural gas storage aims to ensure security in the supply of natural gas to end customers, to harmonise seasonal, daily and hourly consumption with available gas sources and permanently ensure the physical balance of the national transmission system.

#### **Capacities**

The evolution of natural gas storage starting with the 2018 - 2019 cycle shows differences from one cycle to the next, both in terms of reserved capacity and in terms of injected or extracted quantities (MWh)

Capacities (MWh)	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Capacity reservation	22,558,504	30,271,909	31,689,757	23,819,732	30,085,839
Injection volumes	18,779,228	28,021,122	11,587,585	20,274,740	25,466,749
Extraction volumes	18,630,825	13,738,676	23,689,846	19,699,346	22,000,000

#### **Tariffs**

Evolution of tariffs in the storage cycles from 2018 to 2023:

RON/MWh

Tariffs	Historical data					
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total tariff	13.25	13.49	13.28	13.34	19.42	23.03
Reservation tariff	9.90	9.98	7.58	9.31	11.44	9.82
Injection tariff	1.68	1.90	3.67	2.29	4.50	7.27
Extraction tariff	1.67	1.61	2.03	1.74	3.48	5.94

In the period 2018 - 2022 the storage tariffs recorded very small differences, while starting with the 2022 - 2023 storage cycle they increased by 45.5% in the 2022 - 2023 cycle compared to the 2021 - 2022 cycle and by 18.58% in the 2023 - 2024 cycle compared to the 2022 - 2023 cycle, an increase mainly due to the increase in electricity and natural gas costs.

Financial results of the storage work recorded in the period 2018 - 2022:

Thousand RON

P&L for the financial year	Historical data				
	2018	2019	2020	2021	2022
Operating income	208.678	355.980	334.011	313.773	476.021
Operating expenses	208.312	297.346	260.638	267.623	345.342
EBITDA	366	58.634	73.373	46.150	130.679
Impairment of assets	65	2.901	5.726	8.425	12.247
EBIT	301	55.733	67.647	37.725	118.432
Financial income	261	464	1.018	534	2.547
Financial expenses	1	1	1	1	1
EBT	562	56.197	68.665	38.259	120.978

#### i. 2022-2027 financial scenario

##### General objective: Increasing the company's performance

##### Specific objectives:

- Increasing sustainable financial and economic performance and operational stability;
- Increasing profit;
- Reducing losses, overdue payments, consumption and operational costs by intensifying control on the budgeting, employment and use of assets.

##### Lines of action:

##### **Financial management:**

- ✓ Strengthening the financial management of the Subsidiary through efficient management of financing, risk and performance processes;
- ✓ Ensuring the efficiency of capital use by permanently assessing the financial effort of all actions to be undertaken in a given management period;

- ✓ Timely creating the funds required by the Subsidiary, according to the structure and quality conditions required by the needs, at the lowest possible cost;
- ✓ Ensuring the financial support necessary for the Subsidiary's market performance by:
  - monitoring the use of capital and influencing decision-makers in other responsibility centres, in order to ensure efficient use of all funds attracted into the circuit;
  - ensuring and maintaining financial balance, both in the short and in the long term, in accordance with the needs of the Subsidiary;
  - permanent control of economic processes in order to obtain the expected financial result and distributing it according to the uses determined by the purpose and objectives of the Subsidiary;
  - control and assessment of results to identify deviations and the causes that generated them, the company's strengths and weaknesses and the measures that are required to correct and avoid the occurrence of deviations in the future.

**The overall result, according to the 2023-2027 Administration Plan, approved by Decision of the Board of Directors no. 6/31.03.2023 and revised by Decision no. 10/30.05.2023**

thousand RON

	DEPOGAZ SUBSIDIARY - REALISED					DEPOGAZ SUBSIDIARY - FORECAST				
	9 MONTHS IN 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<i>Operating income, showing separately:</i>	208.678	355.980	334.011	313.773	476.021	526.579	529.465	535.657	546.785	563.726
Storage services	207.349	355.704	333.935	313.451	475.939	526.579	529.465	535.657	546.785	563.726
Other	1.329	276	76	322	82	0	50	50	50	50
<i>Operating expenses (less the amortisation)</i>	208.312	297.346	260.638	267.623	345.342	455.882	465.000	474.300	483.786	493.461
Wages, salaries and other salary-related expenses	43.227	59.804	67.875	68.609	72.512	93.086	94.948	96.847	98.784	100.759
Technological consumption, materials and consumables, showing separately:	40.641	75.591	43.902	54.225	43.925	199.368	203.355	207.422	211.571	215.802
Technological consumption value, thousand RON	12.747	26.028	15.709	16.260	36.890	92.988	92.988	92.988	92.988	93.188
Electricity consumption	24.957	44.331	24.631	32.544	78.688	96.014	96.014	96.014	96.014	96.614
<b>EBITDA</b>	<b>366</b>	<b>58.634</b>	<b>73.373</b>	<b>46.150</b>	<b>130.679</b>	<b>70.697</b>	<b>64.465</b>	<b>61.357</b>	<b>62.999</b>	<b>70.265</b>
% EBITDA Margin	0.18%	16.47%	21.97%	14.71%	27.45%	13.43%	12.18%	11.45%	11.52%	12.46%
Amortisation	65	2.901	5.726	8.425	12.247	13.808	15.972	21.668	21.061	43.137
<b>Operating profit</b>	<b>301</b>	<b>55.733</b>	<b>67.647</b>	<b>37.725</b>	<b>118.432</b>	<b>56.889</b>	<b>48.493</b>	<b>39.689</b>	<b>41.938</b>	<b>27.128</b>
Gross operating margin (%)	0.14%	15.66%	20.25%	12.02%	24.88%	10.80%	9.16%	7.41%	7.67%	4.81%
Financial income	261	464	1018	534	2547	1350	500	500	500	500
Financial expenses	1	1	1	1	1	0	4.580	13.385	22.254	20.028
<b>Financial profit</b>	<b>260</b>	<b>463</b>	<b>1017</b>	<b>533</b>	<b>2546</b>	<b>1350</b>	<b>-4.080</b>	<b>-12.885</b>	<b>-21.754</b>	<b>-19.528</b>
Turnover	207.356	287.729	333.939	313.456	475.989	526.579	529.465	535.657	546.785	563.726
Total income	208.939	356.444	335.029	314.307	478.568	527.929	529.965	536.157	547.285	564.226
Total expenses	208.378	300.248	266.365	276.049	357.590	469.690	485.552	509.353	527.101	556.626

Gross profit	561	56.196	68.664	38.258	120.978	58.239	44.413	26.804	20.184	7.600
Labour productivity	406	712	665	633	984	1.039	1.048	1.050	1.062	1.095

## 2024 achievements

### Statement of financial position, statement of comprehensive income

DEPOGAZ's financial statements were prepared in accordance with OMPF no. 1802/2014, as amended and supplemented. The accounting records on the basis of which these financial statements were prepared are prepared in RON ("RON") at historical cost, according to the accounting policies of the Company.

#### ➤ Statement of financial position at the end of the period – BALANCE SHEET

The table below summarises the financial position as at December 31, 2024:

(RON)

Indicator	31.12.2023	31.12.2024
ASSETS		
Fixed assets		
Tangible assets	241,701,790	277,928,823
Other intangible assets	851,593	598,068
Other fixed assets	34,527	78,499
Total fixed assets	242,587,910	278,605,390
Current assets		
Inventories	7,937,971	12,853,599
Trade and other receivables	77,292,862	78,013,162
Short-term investments	161,113,901	283,321,822
Petty cash and bank accounts	11,883,694	22,565,909
Total current assets	258,228,428	396,754,492
Deferred charges	631,151	1,005,126
TOTAL ASSETS	501,447,489	676,365,008
EQUITY AND DEBT		
Capital and reserves		
Share capital	66,056,160	66,056,160
Reserves	136,423,532	265,954,605
Retained earnings (loss)		
Financial year loss/profit	148,390,982	197,428,886
Profit distribution	2,516,455	13,613,417
TOTAL EQUITY	348,354,219	515,826,234
Short-term debts		
Short-term trade debts	9,178,691	15,048,763

<b>Debts to Group entities</b>	11,216,812	5,990,901
<b>Other debts</b>	21,423,214	25,592,548
<i>Short-term debts</i>	<b>41,818,717</b>	<b>46,632,212</b>
<i>Provisions</i>		
<b>Employee benefit provisions and other provisions</b>	<b>17,060,556</b>	<b>19,704,930</b>
<b>Deferred income</b>	<b>94,213,997</b>	<b>94,201,632</b>
<i>Long-term debts</i>		
Trade and other debts	-	-
Current corporate tax debts	-	-
Other debts	-	-
<i>Short-term debts</i>	-	-
<b>TOTAL EQUITY AND DEBTS</b>	<b>501,447,489</b>	<b>676,365,008</b>

Of the total assets amounting to RON 676,365,008, fixed assets account for RON 278,605,390, i.e. 41.19%, and current assets account for RON 396,754,492, i.e. 58.66%.

The share capital of DEPOGAZ is RON 66,056,160, fully paid up as at December 31, 2024.

At the date of the Company's establishment, in 2015, its share capital paid up in cash amounted to RON 1,200,000.

In April 2018, it was increased by a contribution in cash of RON 48,800,000, and in November 2018 by a contribution in kind (stocks of materials) worth RON 16,056,160.

The trade and other receivables are detailed below:

#### Liquidity term

<b>Receivables (RON)</b>	<b>Balance at 31 December 2024</b>	<b>under 1 year</b>	<b>over 1 year</b>
Trade receivables	76,271,714	76,271,714	
Settlement between affiliated entities	62,830	62,830	
Other receivables	1,678,618	1,678,618	
<b>TOTAL</b>	<b>78,013,162</b>	<b>78,013,162</b>	

Trade receivables are not interest-bearing and generally have a payment term of 30 days.

The amounts included in "Other receivables" mainly contain: sick leave to be recovered from FNUAS, VAT not due related to invoices containing operations carried out in December and issued in January 2025.

#### Cash and cash equivalents consist of:

<b>Cash and cash equivalents (RON)</b>	<b>Balance at 31 December 2024</b>
Accounts with banks	217,163
Cash in hand	962
Cash equivalents	22,347,784

<b>TOTAL</b>	<b>22,565,909</b>
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#### Short-term investments

Short-term investments (RON)	Balance at 31 December 2024
Bank deposits	283,321,822

The debts presented in the balance sheet are as follows:

Debts (RON)	Balance at 31 December 2024	Chargeability term	
		under 1 year	over 1 year
Invoices to be received from suppliers	8,253,042	8,253,042	
Suppliers	6,795,722	6,795,722	
Debts to personnel	3,625,814	3,625,814	
Taxes and duties related to salaries	4,108,336	4,108,336	
Corporate tax	6,124,721	6,124,721	
Tax -VAT	6,054,356	6,054,356	
Payments to affiliated entities	5,990,901	5,990,901	
Royalty and environmental fund	5,428,635	5,428,635	
Other debts	250,685	250,685	
<b>TOTAL</b>	<b>46,632,212</b>	<b>46,632,212</b>	

#### ➤ Statement of comprehensive income – INCOME STATEMENT

Income statement summary (RON):

Indicator	2023	2024
<b>Operating income - total</b>	<b>550,431,053</b>	<b>573,717,526</b>
Expenses related to raw materials, material, electricity	126,108,377	96,885,797
Personnel expenses	84,714,593	89,852,245
Value adjustments for tangible and intangible fixed assets	13,672,841	20,820,641
Value adjustments for current assets	1,084,600	-772,355
Other operating expenses (external services, etc.)	158,919,683	150,461,685
Provisions	2,442,077	2,644,374
<b>Operating expenses – total</b>	<b>386,942,171</b>	<b>359,892,387</b>
<b>Operating loss/profit</b>	<b>163,488,882</b>	<b>213,825,139</b>
Financial income - interest	8,713,850	11,544,596
Financial expenses - foreign exchange differences	835,282	295,124

<b>Financial profit</b>	<b>7,878,568</b>	<b>11,249,472</b>
<b>Total income</b>	<b>559,144,903</b>	<b>585,262,122</b>
<b>Total expenses</b>	<b>387,777,453</b>	<b>360,187,511</b>
<b>Balance sheet profit/loss</b>	<b>171,367,450</b>	<b>225,074,611</b>
<b>Corporate tax</b>	<b>22,976,468</b>	<b>27,645,725</b>
<b>Net profit/loss</b>	<b>148,390,982</b>	<b>197,428,886</b>

Of the total operating income of RON 573,717,526 earned in 2024, RON 573,411,193, i.e. 99.95% is earned from the provision of storage services.

Of the total operating expenses of RON 359,892,387, the most significant are as follows:

- Expenses related to raw materials and consumables amounting to RON 46,741,843, of which the purchased technological consumption amounts to RON 37,157,833;
- Electricity RON 49,067,415;
- Personnel expenses, including taxes RON 89,852,245;
- Expenses related to services provided by third parties RON 37,558,270;
- Duties and taxes RON 22,380,365.

Of the total expenses related to the provisions established in 2024, the significant values are as follows: RON 4,327,485 employee benefit provision, RON 2,152,896 variable component provision for members of the Board of Directors and General Manager, RON 90,500 provision for annual leave not taken and RON 2,019,417 employment contract termination provision.

Financial income mainly consists of interest income earned from deposits, amounting to RON 11,261,703.

### ➤ **Economic-financial indicators**

Below are the main economic and financial indicators of the company in 2024:

	<b>2024</b>
<b>1. Liquidity indicators</b>	
Current liquidity indicator	8.52
Quick liquidity indicator	8.25
<b>2. Risk indicators</b>	
General solvency rate indicator	14.5
<b>3. Activity indicators</b>	
Days sales outstanding (times)	7.53
Sales to total assets ratio	0.85
<b>4. Profitability indicators</b>	
Gross margin	39.24
Economic profitability	29.19

## Taxation

The company is registered with the Bucharest National Tax Administration Authority in the large taxpayer category. The company is a corporate tax payer. The tax calculated for 2024 was amounted to RON 27,645,725.

## j. Forecasted investment programme of the natural gas storage system in the period 2023 - 2027

For the period 2023 – 2027, we forecast that the total value of the DEPOGAZ investment programme is as follows:

Storage facility	2023	2024	2025	2026	2027	TOTAL
	[mil. EUR]	[mil. EUR]	[mil. EUR]	[mil. EUR]	[mil. EUR]	[mil. EUR]
Bilciurești	10	25.15	47.7	29	7.1	118.95
Ghercești	0	12.1	22.24	13.15	8.1	55.59
Sărmășel	3	4	4	0	10	21
Fălticeni	0	0.2	0.5	0	1	1.7
Urziceni	0	0	0	0	0	0
Bălăceanca	0	0	0	0	0	0
<b>TOTAL</b>	<b>13</b>	<b>41.45</b>	<b>74.44</b>	<b>42.15</b>	<b>26.2</b>	<b>197.24</b>

Please note that the total value includes financing from both own sources and attracted funds.

## **Projects for the development of underground natural gas storage infrastructure, according to the 2023-2027 Administration Plan, approved by Decision of the Board of Directors no. 6/31.03.2023 and revised by Decision no. 10/30.05.2023**

With the objective of integrating Romania into the gas infrastructure grid at European level, it is necessary to make constant investments in equipment and develop the natural gas storage infrastructure, in direct correlation with the development plans proposed by the operators from the energy market.

In accordance with the legislation in force to ensure the operation of the storage infrastructure under safe, efficient and environmentally friendly conditions, DEPOGAZ is in a continuous process of developing and modernising the specific infrastructure to the capacities imposed by the national medium- and long-term strategy.

In this respect, the promoted development projects are aimed at:

- Increasing the natural gas storage capacity;
- Increasing the daily delivery capacity to support security of supply during peak consumption periods;
- Diversifying storage services by offering the flexibility component - multicycle.

Moreover, under the coordination of the General Manager, DEPOGAZ aims to implement technical solutions that facilitate the transition to climate neutrality, in line with current European objectives.

Thus, the situation of promoted projects, structured by storage facilities, is as follows:

### **1. Bilciurești Storage Facility**

The Feasibility Study “**Increasing the daily natural gas extraction capacity from the Bilciurești Storage Facility**” **was completed for this storage facility.** This study identified the works necessary to achieve an increase in the current extraction capacity from 14 million cubic meters/day to approximately 20 million cubic meters/day, correlated with an increase in the storage capacity of 108 million cubic meters/cycle. The total value of the investments forecasted to achieve this major objective is EUR 142 million.

DEPOGAZ has started the works for the phased modernisation of the Bilciurești Storage Facility, as follows:

#### **Phase I**

1. Modernisation works at 3 gas drying stations;
2. Systematisation of injection/extraction gathering pipelines within the Butimanu natural gas compressor station;
3. Modernisation of the Butimanu natural gas fiscal metering station;
4. Drilling works for 4 new wells in the Bilciurești Storage Facility.

#### **Phase II**

1. Butimanu - Bilciurești gathering pipeline with a diameter of 24” (DN 600 PN 150);
2. Modernisations within the Bilciurești natural gas storage groups;
3. Modernisation of 39 existing wells;
4. Injection/extraction gas trap sets;
5. Modernisation of the cooling system of the M3 Butimanu module;
6. Digitalisation of the natural gas storage process.

#### **Progress of completion of investment works included in Phase I**

- The modernisation works for the drying station group 57 Bilciurești were completed, works worth approximately EUR 2.4 million ;
- The modernisation works for the drying station group 101 Bilciurești were completed, works worth approximately EUR 2.0 million;
- In December 2021, the construction works of a new drying station at group 145 Bilciurești were completed, as well as the reconfiguration and modernisation works of the technological installations in the storage facility. The value of these works was of approximately EUR 7.5 million;
- During 2022, there were started the works for the modernisation of the technological installations within the Butimanu compressor station. The works, worth approximately EUR 3.0 million, will be completed in 2023;
- During 2022, there were started the works for drilling 4 wells and for the related technological installations. The value of the works is of approximately EUR 13.7 million, and they are scheduled to be completed in 2023;
- Since 2021, works have been underway to modernise the gas fiscal metering system in the Bilciurești Storage Facility. The works, worth approximately EUR 2.5 million, are to be completed in 2023.

Thus, for these investments, which started in 2017, works worth a total of EUR 18.1 million have been completed to date.

#### **Progress of completion of investment works included in Phase II**

In the context of the new EU regulations, requiring Member States to work together to identify potential disruptions in natural gas supply and to agree on joint actions that can prevent or eliminate the consequences of gas supply disruptions, the project “Increase in daily extraction capacity within the Bilciurești Storage Facility - Daily withdrawal capacity increase - Bilciurești UGS”, was included in the Fifth List of Projects of Common Interest and declared

eligible for financing from non-reimbursable funds up to 35% of the total value of the works included in Phase II, which amounts to EUR 108 million.

According to the current schedule, these works will be completed in 2027.

#### Estimated project development schedule

Development stages	Estimated start date of the works	Estimated end date of the works
<b>Feasibility study</b>		Complete
<b>FID</b>	2017	2017
<b>Phase I design</b>	2018	2020
<b>Technical documentation for obtaining the building permits and the Phase I Building Permit</b>	2018	2022
<b>Tender and procurement documentation for the execution of works - Phase I</b>	2018	2022
<b>Phase I construction</b>	2018	12. 2023
<b>Commissioning/start of operation - Phase I</b>	09.2023	12. 2023
<b>Tender and procurement documentation for design services - Phase II</b>	2020	01.2023
<b>Phase II design</b>	2020	09.2023
<b>Technical documentation for obtaining the building permits and the Phase II Building Permit</b>	2020	08.2023
<b>Tender and procurement documentation for the execution of works - Phase II</b>	06.2023	12.2023
<b>Phase II construction</b>	01.2024	06.2027
<b>Commissioning/start of operation - Phase II</b>	03.2027	06.2027

The total estimated value of the Phase I + Phase II project is of EUR 142 million

Estimated completion deadline: 2027

#### Benefits of the project implementation

- Increasing the daily gas delivery capacity from the Bilciurești Storage Facility by 6 million cubic meters/day, achieving a total daily extraction capacity of 20 million cubic meters/day;
- For all the storage facilities operated by DEPOGAZ, the completion of the project will contribute to increasing the daily extraction capacity from storage facilities at the national level by approximately 20%;
- Increasing the storage capacity by 108 million cubic meters/cycle, achieving a total storage capacity of 1,418 million cubic meters/cycle.

## 2. Ghercești Storage Facility

The Feasibility Study “Increasing the underground gas storage capacity in the Ghercești Storage Facility from 150 million cubic meters/cycle to 600 million cubic meters/cycle” was completed in 2021. The total forecasted value of the project is EUR 55 million.

- At this date, public procurement procedures for the technical design development services for the new gas compression, drying and fiscal metering facilities are being finalised.
- The design services will be worth EUR 1.2 million and will be provided from DEPOGAZ's own resources.
- To carry out the works, DEPOGAZ will identify the necessary financing resources by attracting loans and external funds.
- The project to increase the underground natural gas storage capacity of the Ghercești Storage Facility is included in the 2022 TYNDP (2022 Ten Year Network Development Plan), code "UGS-F-398 - Ghercești underground gas storage in Romania".

#### Estimated project development schedule

Development stages	Estimated start date of the works	Estimated end date of the works
Feasibility study		2021
FID		2021
Tender and procurement documentation for design services	01.2022	07.2022
Design	07.2022	05.2023
Technical documentation for obtaining the building permits and the Building Permit	03.2023	07.2023
Tender and procurement documentation for the execution of works	05.2023	12.2023
Construction	02.2024	08.2027
Commissioning/start of operation	08.2027	11.2027

Total estimated value of the project: EUR 55 million

Estimated completion deadline: 2027

#### Benefits of the project implementation

- Increasing the daily gas injection capacity by 3 million cubic meters/day, achieving a total daily injection capacity of 5 million cubic meters/day;
- Increasing the daily gas delivery capacity by 3 million cubic meters/day, achieving a total daily extraction capacity of 5 million cubic meters/day;
- Increasing the storage capacity by 450 million cubic meters/cycle, achieving a total storage capacity of 600 million cubic meters/cycle;
- For all the storage facilities operated by DEPOGAZ, the completion of the project will contribute to increasing the national storage capacity by approximately 16% and of the daily extraction capacity from storage facilities at the national level by approximately 10%;

### 3. Bălăceanca Storage Facility

The "Feasibility Study for Natural Gas Storage in the Bălăceanca Storage Facility" was completed in 2021. The study's aim is to use the storage facility in a multi-cycle regime, increase the daily gas delivery capacity from the

Bălăceanca Storage Facility and ensure a higher degree of operational safety. The total value of the project is EUR 36 million.

- The project's aim is to use the storage facility in a multi-cycle regime and increase the daily gas delivery capacity from the Bălăceanca Storage Facility up to 1.6 million cubic meters/day. In order to ensure a higher degree of operational safety and to supplement the capacity of the existing gas infrastructure, there must be modernised the existing facilities and there must be built new above-ground facilities that will take over the additional flow and ensure the flexibility necessary to use the storage in a multi-cycle regime.
- From a technical point of view, the project consists of drilling new wells, modernising existing wells and above-ground infrastructure, in accordance with the requirements of European safety and control standards, expanding, modernising and optimising existing compression, separation and fiscal metering facilities.

#### Estimated project development schedule

Development stages	Estimated start date of the works	Estimated end date of the works
Feasibility study		2021
FID		2025
Tender and procurement documentation for design services - Technical Design	02.2025	06.2025
Design	07.2025	06.2026
Technical documentation for obtaining the building permits and the Building Permit	04.2026	10.2026
Tender and procurement documentation for building works	05.2026	11.2026
Construction	01.2027	10.2029
Commissioning/start of operation	10.2029	12.2029

Total estimated value of the project: EUR 36 million

Estimated completion deadline: 2029\*

*\*The observance of the timetable set out by the project implementation is conditional on the availability of the financial resources.*

#### Benefits of the project implementation

- The completion of the project will contribute to making the national storage system more flexible by using the storage facility in a multi-cycle mode, while also increasing the storage facility's utilisation rate by 200%.

#### 4. Sărmășel Storage Facility

The "Feasibility Study for the Sărmășel Storage Facility" was completed in 2021. The study's aim is to develop the existing underground storage facility in Sărmășel from a capacity of 900 million cubic meters/cycle to approximately 1,550 million cubic meters/cycle (an increase by 650 million cubic meters/cycle), increasing the injection capacity

by 4 million cubic meters/day, to a total of 10 million cubic meters/day, increasing the extraction capacity by 4 million cubic meters/day, to a total of 12 million cubic meters/day. The total value of the forecast investments is EUR 163 million.

DEPOGAZ has started the works for the phased modernisation of the Sărmășel Storage Facility, as follows:

#### Phase I:

1. Modernisation of existing wells;
2. Drilling works for 6 wells

#### Phase II:

1. Drilling works for 32 wells;
2. Gas compressor station expansion
3. Expansion of gas drying and metering facilities;
4. Technological installations for injection/extraction wells;
5. Digitalisation of the natural gas storage process;
6. Renewable energy production system;
7. Connection to the Natural Gas National Transmission System (NTS).

#### Estimated project development schedule

Development stages	Estimated start date of the works	Estimated end date of the works
Feasibility study		2021
Phase I FID		2021
Phase I design	04.2022	05.2023
Technical documentation for obtaining the building permits and the Phase I Building Permit	03.2023	12.2023
Tender and procurement documentation for the execution of works - Phase I	10.2022	12.2023
Phase I construction	02.2023	05.2025
Commissioning/start of operation - Phase I	05.2025	07.2025
Phase II FID		2025
Tender and procurement documentation for design services - Phase II	01.2025	07.2025
Phase II design	07.2025	03.2026
Technical documentation for obtaining the building permits and the Phase II Building Permit	04.2026	01.2027
Tender and procurement documentation for the execution of works - Phase II	04.2026	12.2026
Phase II construction	01.2027	10.2029
Commissioning/start of operation - Phase II	10.2029	12.2029

Total estimated value of the project: EUR 163 million

Estimated completion deadline: 2026\*

*\*The observance of the timetable set out by the project implementation is conditional on the availability of the financial resources;*

*The project is conditional on obtaining agreements from Romgaz and ANRM for converting two geological horizons into a storage facility.*

#### Benefits of the project implementation

- Increasing the storage capacity from 900 million cubic meters/cycle to 1550 million cubic meters/cycle;
- Increasing the injection capacity by 4 million cubic meters/day, to a total of 10 million cubic meters/day, and increasing the extraction capacity by 4 million cubic meters/day, to a total of 12 million cubic meters/day;
- For all the storage facilities operated by DEPOGAZ, the completion of the project will contribute to increasing the national storage capacity by approximately 23% and of the daily extraction capacity from storage facilities at the national level by approximately 14%.

### 5. Fălticeni storage facility

The project's aim is to develop a new underground storage facility in northeastern Romania (the Moldavia region). The conversion of one or more of the following depleted fields into an underground storage facility: Pocoleni, Comănești, Todirești or Davideni.

Characteristics:

- capacity of approximately 200 million cubic meters/cycle;
- injection capacity of approximately 1.4 million cubic meters/day;
- extraction capacity of approximately 2 million cubic meters/day.

The project will consist of the following:

- natural gas compressor station;
- natural gas drying and metering installations;
- technological installations for injection/extraction wells;
- drilling of injection/extraction wells;
- interconnection of natural gas storage facility with the NTS;
- inactive natural gas stock.

#### Estimated project development schedule

Development stages	Estimated start date of the works	Estimated end date of the works
Reservoir study – establishment of storage facility	01.2024	08.2024
Tender and procurement documentation for design services - Feasibility Study	10.2024	01.2025
Feasibility study	02.2025	08.2025
FID	2025	

Tender and procurement documentation for design services - Technical Design	10.2025	02.2026
Design	03.2026	03.2027
Technical documentation for obtaining the building permits and the Building Permit	02.2027	09.2027
Tender and procurement documentation for works	02.2027	09.2027
Construction	09.2027	09.2030
Commissioning/start of operation	10.2030	12.2030

Total estimated value of the project: EUR 80 million

Estimated completion deadline: 2030\*

*The observance of the timetable set out by the project implementation is conditional on the availability of the financial resources;*

*The project is conditional on obtaining agreements from Romgaz and ANRM for converting a depleted reservoir into a storage facility.*

#### Benefits of the project implementation

- Ensuring storage capacity in an area lacking in terms of gas supply security;
- Newly created storage capacity of 200 million cubic meters/cycle;
- For all the storage facilities operated by DEPOGAZ, the completion of the project will contribute to increasing the national storage capacity by approximately 7% and of the daily extraction capacity from storage facilities at the national level by approximately 7%.

### 2024 achievements

The progress of the implementation of the natural gas storage system development projects proposed and included in the INVESTMENT PLAN of the natural gas storage system for 2024 is as follows:

#### **1. Modernisation of the natural gas storage system infrastructure – Bilciurești**

The procurement procedure for the execution phase of the PCI 6.20.7 Bilciurești Underground Gas Storage - “Daily withdrawal capacity increase - Bilciurești UGS” - “Increasing the daily extraction capacity within the Bilciurești Storage Facility - Modernisation of the natural gas storage system infrastructure” project was started and completed in 2024.

The following contractual agreements were signed at the beginning of December 2024:

- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 1 “Modernisation of groups of wells” with the Consortium INSPET (Leader) - ROCONSULT TECH (Joint Tenderer) - HABAU (Joint Tenderer), amounting to RON 217,221.54 thousand.
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 2 “Modernisation of wells” with the Consortium FORAJ SONDE VIDELE (Leader) - DEVELTOR (Joint Tenderer), amounting to RON 249,772.59 thousand.

- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 3 “Injection/extraction gathering pipeline DN600 PN150 Butimanu - Bilciurești” with the Consortium INSPET (Leader) - ROCONSULT TECH (Joint Tenderer) - HABAU (Joint Tenderer), amounting to RON 67,947.20 thousand.
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 4 “Cooling System” with the Consortium SUTECH (Leader) - BAT MEDIAȘ (Joint Tenderer), amounting to RON 45,394.37 thousand.
- Contractual agreement for works related to PCI 6.20.7 Bilciurești Underground Gas Storage “Daily Withdrawal Capacity Increase - Bilciurești UGS” Works for “Increasing the daily natural gas extraction capacity in the Bilciurești Storage Facility” - Lot 5 “Digitalisation of the gas storage process in the Bilciurești Storage” with the Consortium ROCONSULT TECH (Leader) - INSPET (Joint Tenderer), amounting to RON 15,348.15 thousand.

## 2. Increasing the underground natural gas storage capacity of the Ghercești Storage Facility

During 2024, there was started and afterwards suspended the drafting of the technical design for the modernisation of 15 wells within the Ghercești Storage Facility due to the difficulties encountered in acquiring the land necessary to carry out the project.

## 3. Increasing the underground natural gas storage capacity of the Sărmășel Storage Facility

During 2024, drilling works for 6 new wells were started and completed within the Sărmășel storage facility and work continued on the above-ground technological installations related to the 6 wells.

## 4. New underground natural gas storage facility in Fălticeni

During 2024, the internal review for the Pocoleni structure was completed and meetings were organised with ANRM and Romgaz to define how this project can be implemented.

The projects for the development of the natural gas storage system are also included in the Development Plan for the National Natural Gas Transmission System for the period 2024 - 2033, approved by ANRE by Decision no. 2717/17.12.2024.

## 2.4. Performance indicators

The financial and non-financial key performance indicators for the calculation of the annual variable component of the remuneration of non-executive directors and the General Manager of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL during the period 2023-2027 were approved by the Sole Shareholder's Decision no. 7/12.05.2023.

### 2.4.1. Key performance indicators for calculating the variable component of the General Manager's remuneration - approved by the Decision of the Sole Shareholder SNGN Romgaz SA no. 7/12.05.2023

#### a. Target values

Item	Key Performance Indicators (KPI)	2024

	Financial KPIs	
1	EBITDA [%]	12.18
2	Turnover (TO) [in thousand RON]	529,465
3	Overdue payments [in thousand RON]	0
4	Outstanding receivables (in thousand RON)	1,500
	Operational KPIs	
5	Reserved capacity [%]	95
6	Carrying out the investment programme [%]	85
	Public service-oriented KPIs	
7	Overall satisfaction index/year [%]	95
	Corporate governance KPI	
8	Implementation/development of the internal management control system in accordance with legal requirements [%]	90

#### b. Weighting coefficient of performance indicators

Item	Key Performance Indicators (KPI)	Objective	KPI weight
	Financial KPIs		45%
1	EBITDA [%]	Achievement of the target agreed under the Administration Plan	10%
2	Turnover (TO) [in thousand RON]	Achievement of the target agreed under the Administration Plan	15%
3	Overdue payments [in thousand RON]	Meeting the approved annual income and expenses budget level	10%
4	Outstanding receivables (in thousand RON)	Meeting the approved annual income and expenses budget level	10%
	Operational KPIs		25%
4	Reserved capacity [%]	95% achievement of the target agreed under the Administration Plan	10%
5	Carrying out the investment programme [%]	85% achievement of the investment programme	15%

		approved in the annual income and expenses budget	
	<b>Public service-oriented KPIs</b>		<b>15%</b>
6	Overall satisfaction index/year [%]	Achieving the 95% target of the overall satisfaction index	15%
	<b>Corporate governance KPI</b>		<b>15%</b>
7	Implementation/development of the internal management control system in accordance with legal requirements [%]	90% completion of the internal management control system development programme.	15%

## 2.4.2. Description of key performance indicators for calculating the variable component of remuneration

### a. Financial key performance indicators

#### a.1. ADJUSTED EBITDA

**Indicator:** EBITDA margin %

**Description:** Ensuring the increase in operating profit, the source of financing to support investments, ensuring dividends due to the shareholder

**Target value:** Achievement of the EBITDA target agreed under the Administration Plan

**Method of verification:** Quarterly and annual financial statements; Notes to the financial statements

**Indicator formula:** EBITDA margin = Operating profit before amortisation/Operating income

**Calculation method:** Achieved EBITDA margin/EBITDA margin provided in the Administration Plan\*100

#### a.2. TURNOVER

**Indicator:** Turnover

**Description:** Income earned from the provision of storage services, the sale of products and other services

**Target value:** Achievement of the TO target agreed under the Administration Plan

**Method of verification:** Quarterly and annual financial statements; Income statement, Form F-20

**Indicator formula:** Total turnover in the Balance Sheet

**Calculation method:** Turnover achieved/Turnover provided in the Administration Plan\*100

#### a.3. OUTSTANDING PAYMENTS

**Indicator:** Outstanding payments

**Description:** Observance of the debt payment deadline

**Target value:** Meeting the approved annual income and expenses budget level

**Verification mode** ANAF accounting reporting - Form F30 - Informative data

**Indicator formula:** Outstanding payments < Outstanding payments approved in the annual budget of income and expenses

#### a.4. OUTSTANDING RECEIVABLES

**Indicator:** Level of outstanding receivables

**Description:** Compliance with the collection deadlines set forth in storage contracts

**Target value:** Meeting the approved annual income and expenses budget level

**Method of verification:** ANAF accounting reporting - Form F30 - Informative data

**Indicator formula:** Outstanding receivables realised < Level of outstanding receivables approved in the annual income and expenses budget

## b. Operational key performance indicators

### b.1. RESERVED CAPACITY

**Indicator:** Reserved capacity

**Description:** Degree of contract coverage of the declared operational capacity

**Target value:** 95% reservation of operational capacity

**Method of verification:** Letter to the Commercial Department/Storage Contracts Monitoring

**Indicator formula:** Contracted reserved capacity/Declared operational capacity\*100

### b.2 IMPLEMENTATION OF THE INVESTMENT PROGRAMME

**Indicator:** Carrying out the annual investment programme

**Description:** Annual programme for investments in equipment and financing sources, annex to the approved income and expenses budget

**Target value:** 85% achievement of the annual investment plan

**Method of verification:** Letter to the Development Department/Balance Sheet

**Indicator formula:** Investment plan achieved/Investment plan approved\*100

## c. Key performance indicators oriented towards public services

### c.1. OVERALL SATISFACTION INDEX/YEAR

**Indicator:** Customer overall satisfaction index/year

**Description:** Customer assessment of storage services

**Target value:** Achieving the 95% target of the overall satisfaction index

**Method of verification:** Annual reporting - Form "Customer satisfaction level" 09-F-16 Act.o

**Indicator formula:** Value of the satisfaction index achieved/Value of the satisfaction index agreed\*100

## d. Corporate governance key performance indicators

### d.1. IMPLEMENTATION/DEVELOPMENT OF THE MANAGEMENT INTERNAL CONTROL SYSTEM

**Indicator:** Implementation/development of the internal management control system in accordance with legal requirements

**Description:** Implementation of SGG Order no. 600/2018 approving the Code of Internal Management Control of Public Entities

**Target value:** 90% completion of the internal management control system development programme

**Method of verification:** Development programme of the internal management control system, Annual report on the internal management control system - annex to the financial statements.

**Indicator formula:** Target value achieved/Target value approved\*100

## 2.4.3. Degree of achievement of key performance indicators as at 31.12.2024

Considering the target values of the key performance indicators approved by the Sole Shareholder SNGN Romgaz SA based on the Administration Plan for the period 2023 - 2027 of the Board of Directors of DEPOGAZ, by Decision

no. 7/12.05.2023, performance indicators representing an annex to the contracts of mandate, their degree of achievement for 2024 is detailed below:

### **Achievement of indicators as at 31.12.2024 - General Manager**

Item	Key Performance Indicators (KPI)	Value achieved 31.12.2024	2024 target values approved	Degree of achievement	KPI weight	Weight %
1	EBITDA [%]	40.90	12.18	335.79	10%	33.58
2	Turnover (TO) [in thousand RON]	573,604	529,465	108.34	15%	16.25
3	Outstanding receivables (in thousand RON)	986	1,500	100.00	10%	10.00
4	Overdue payments [in thousand RON]	0	0	100.00	10%	10.00
5	Carrying out the investment programme [%]	89.06	85	104.78	15%	15.72
6	Reserved capacity (%)	105.10	95	110.64	10%	11.06
7	Overall satisfaction index/year [%]	99.74	95	104.99	15%	15.75
8	Implementation/development of the internal management control system in accordance with legal requirements [%]	90	90	100.00	15%	15.00
						<b>127.36</b>

Turnover	573,604
Operating income	573,718
Operating expenses	359,892
Amortisation	20,821
	234,647
EBITDA %	40.90

MWh reserved capacity as at 31.12.2024	32,276,494
Declared operational capacity	30,709,000
Reserved capacity %	105.10

2024 investment programme	61,936
Investments made as at 31.12.2024	55,162
%/year	89.06

### • **Public service-oriented KPIs: *Customer satisfaction level***

In 2024, the activity was carried out in two stages corresponding to the two storage cycles.

In the period 01.01.2024 - 31.03.2024, there were managed commercial activities for the 63 beneficiaries of storage services related to the 2023 - 2024 storage cycle.

In the period 01.04.2024 - 31.12.2024, there were managed commercial activities for the 64 beneficiaries of storage services related to the 2024 - 2025 storage cycle. 107 storage contracts and 200 addenda related to the contracts were drawn up.

The operational procedure "CUSTOMER SATISFACTION ASSESSMENT" is applied within the Commercial Department.

The procedure establishes how information on the customer's perception of the satisfaction of their requirements is obtained and used.

Customer satisfaction assessment consists of three main stages:

- Collecting data and information regarding customer satisfaction and their perception of the organisation's performance;
- To this end, the "Customer Satisfaction Assessment Questionnaire" is sent to customers annually;
- Assessing customer responses, interpreting the results and sending the "Customer Satisfaction Assessment Form" to the Integrated Management Department.

On 10.12.2024, the "Customer Satisfaction Assessment Questionnaire" was sent to the beneficiaries of storage services.

The assessment of the responses and the preparation of the "Customer Satisfaction Assessment Form" revealed an overall satisfaction index/year of 99.74%.

The performance indicator "Overall satisfaction index/year" for 2024 had a target value of 95%.

### ***General Manager Assessment***

During the meeting of the Nomination and Remuneration Committee held on 26.02.2020, the Policy for the assessment of the Board of Directors of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL was approved by Decision of the Board of Directors no. 4/26.02.2020.

For 2024, at the DEPOGAZ level, the assessment process of the General Manager of SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL was applied based on a questionnaire model developed according to the principles and criteria of corporate governance, as well as the legal regulations in force. The applicable questionnaire can be found in Annex no. 2 of the Board of Directors Assessment Policy, approved by the Board of Directors Decision no. 4/26.02.2020.

The assessment of the General Manager for 2024 was approved, according to the aforementioned assessment questionnaire, during the meeting of the Nomination and Remuneration Committee held on 17.03.2025.

The following conclusions were drawn from the assessment:

- The objectives and key performance indicators for 2024 were met;
- The Decisions of the Sole Shareholder, the Decisions of the Board of Directors, as well as the key performance indicators of the non-executive directors for 2024 were fulfilled;

- The General Manager demonstrated vision in correctly anticipating business trends, participated in the establishment and coherent and consistent implementation of the company's mission, vision and value position;
- He maintained the strategic human resources team and facilitated teamwork to achieve objectives;
- He demonstrated standards of integrity, ethics, and honesty;
- With respect to the execution of the strategy, the General Manager established objectives, action plans, processes and procedures for the proper implementation of the company's administration and management plan;
- He delegated powers to the leaders of organisational units proportionally and aligned with the assigned responsibilities;
- The General Manager has implemented a functional organisational structure aimed at achieving the objectives;
- He monitored the performance, effectiveness and quality of decisions made by the leaders of organisational units in the exercise of their powers and monitored the process of implementing personal responsibility at all levels in the organisation;
- He ensured that the company's operations comply with applicable legal provisions;
- With respect to the relationship with the Board of Directors and the Sole Shareholder, the General Manager has established a good collaborative relationship with all members of the Board, as well as with the Sole Shareholder, demonstrating the will to implement their conditions/recommendations. The General Manager ensured the provision of the necessary information on time, at the required quality level and presented recommendations accompanied by in-depth assessments based on the principles included in the company's policies;
- He ensured effective, efficient and unbiased communication in the relationship with the Sole Shareholder;
- He communicated to stakeholders, at least twice a year, the company's financial and non-financial performance;
- He professionally managed communication with the media;
- He developed a climate of permanent dialogue in the relationship with unions, ensuring the best level of employee satisfaction within the limits of the allocated budget;
- He developed and implemented personnel procedures, including, without limitation, promotion and remuneration procedures based on professionalism and proven results, which aim to foster teamwork in order to achieve common objectives;
- He had an outstanding and stable performance through a prudent management policy, in line with market evolution. The amount of responsibility must also be delegated to the team in a manner that ensures performance is maintained.